# Silicon Valley Clean Energy
# Finance and Administration Committee Meeting

Monday, November 24, 2025
1:00 pm

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

Teleconference Meeting Information:
https://svcleanenergy-org.zoom.us/j/89291544249

Or by Telephone (Audio only):
US: +1 669 219-2599
Webinar ID: 892 9154 4249



Members of the public may observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Finance and Administration Committee. The public will also have an opportunity to provide comments during the meeting. Members of the public 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 Committee 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 prior to the meeting for assistance.

## AGENDA

<u>Call to Order</u>

<u>Roll Call</u>

<u>Public Comment on Matters Not Listed on the Agenda</u>

*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*


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*limited to 3 minutes each, however, the Committee 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.*

Consent Calendar (Action)

1) Approve Minutes of the August 4, 2025, Finance and Administration Committee Meeting

Regular Calendar

2) CFO Update (Informational)
3) Recommend the Silicon Valley Clean Energy Board of Directors Approve the Proposed Updated Fiscal Year 2025-2026 Budget and 2026 Rate Changes (Action)
4) Implementation of GASB 62 Rate Stabilization Fund (Discussion)
5) Treatment of GASB 96 (Discussion)
6) Review of Silicon Valley Clean Energy's Fourth Power Prepay Transaction (Informational)

Committee/Staff Remarks

Adjourn

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# Silicon Valley Clean Energy
## Finance and Administration Committee Meeting

Monday, August 4, 2025
10:00 a.m.

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

**DRAFT MEETING MINUTES**

**Call to Order**

Chair Srinivasan called the meeting to order at 10:07 a.m.

Prior to Roll Call, Alternate Director Ristow announced she would be participating remotely pursuant to AB 2449 under the “Just Cause” provision due to a contagious illness and confirmed there were no other adults present in the room.

**Roll Call**

**Present:**
Chair Murali Srinivasan, Sunnyvale
Vice Chair Pat Showalter, Mountain View
Alternate Director Maria Ristow, Los Gatos (participated remotely)
Alternate Director Sheila Mohan, Cupertino

**Absent:**
Director Elliot Scozzola, Campbell

**Public Comment on Matters Not Listed on the Agenda**
No speakers.

**Consent Calendar**

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

**MOTION: Vice Chair Showalter moved and Alternate Director Mohan seconded the motion to approve the Consent Calendar.**

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

1) **Approve Minutes of the June 2, 2025, Finance and Administration Committee Meeting**

SILICON VALLEY CLEAN ENERGY

__Regular Calendar__

**2) Recommend the Silicon Valley Clean Energy Board of Directors 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, introduced the item and presented a request to the Committee to recommend the SVCE Board of Directors authorize the Chief Executive Officer to execute or approve the prepay transactional agreements contingent on board-authorized parameters. Presentation information included a recap of the prepay goal and structure, Board authorized parameters for deal execution, and next steps.

CFO Singh responded to questions and comments from the Committee regarding the credit rating agency and other transaction fees, potential eight percent savings from the prepay and usage of funds from the proposed prepay, structure of the bond obligations, and bond market conditions.

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

**MOTION: Alternate Director Mohan moved and Vice Chair Showalter seconded the motion to recommend the SVCE Board of Directors adopt a resolution authorizing the CEO to execute the Power Supply Contract with the California Community Choice Financing Authority (CCCFA) 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. The Finance and Administration Committee also recommend the Board authorize the CEO to enter into agreements with credit rating agencies, generally, to provide a credit rating for the bonds.**

**The Board's authorization will 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 $1,250,000,000.00;**
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.**

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

**3) 2025 Customer Bill Credit Status Update (Informational)**

Peyton Parks, Energy Services Manager, presented an update to the Committee on the status of the one-time on-bill customer credits. Energy Services Manager Parks reviewed the following:

- Background information on the customer credits;
- Implementation plan and how the credits were determined;
- Messaging on SVCE's bill credit; and
- An overview of the proposed timeline

Energy Services Manager Parks responded to questions and comments from Committee members regarding focused messaging efforts relating to customer bill credits, and additional recommendations to highlight the bill credits including on social media platforms.

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

**4) Recommend the Silicon Valley Clean Energy Board of Directors Approve the Fiscal Year 2025-26 Proposed Operating Budget, and Maintain the Current Financial Reserves Targets and Policy (Action)**

CFO Singh provided a presentation with a request for the Committee to recommend that the SVCE Board approve, with any suggested changes, the proposed Fiscal Year 2025-2026 (FY 26) Annual Operating Budget. The presentation reviewed the following:

- Budget timeline and key highlights;
- Proposed Budget Forecast;
- Revenue Forecast;
- Reserves Projection;
- Reserve Management;
- Review of the Reserve Targets and Policy; and
- Other operating expenses

Highlights from the proposed budget included:

- Negative margins over a five-year outlook
- No major changes, as the budget remained consistent with discussions in June
- Recommendation to maintain a 4% discount through December 2025 and reduce the discount to 1% starting next year, which would be revisited in December when setting the 2026 customer rates; and
- Relatively minor increases in operating expenses.

Staff responded to questions and comments from Committee members regarding the projected Power Charge Indifference Adjustment (PCIA) and PG&E generation rates, ways that eligible low-income customers are informed of qualifications for discount programs, impacts on the budget from the one-time bill credit and SVCE headquarters expenses, and the timing of potential revenue and rate adjustments.

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

**MOTION: Alternate Director Mohan moved and Vice Chair Showalter seconded the motion to recommend that the SVCE Board of Directors approve the FY 2025-26 proposed operating budget and maintain the current Reserves Policy.**

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

**Committee/Staff Remarks**
Vice Chair Showalter announced a Youth Climate Action event in Campbell on Saturday, August 9, 2025.

CFO Singh thanked Committee members for their support.

**Adjournment**
Chair Srinivasan adjourned the meeting at 11:34 a.m.

**ATTEST:**

______________________________
Andrea Pizano, Board Secretary

**Staff Report – Item 2**

| | |
|---|---|
| **Item 2:** | **CFO Update** |
| From: | Monica Padilla, CEO |
| Prepared by: | Andrea Pizano, Sr. Executive Assistant and Board Clerk |
| Date: | 11/24/2025 |

This item will be addressed in the form of an oral report to the Finance and Administration Committee from Amrit Singh, Chief Financial Officer.

**Staff Report – Item 3**

| | |
|---|---|
| **Item 3:** | **Recommend the Silicon Valley Clean Energy Board of Directors Approve the Proposed Updated Fiscal Year 2025-2026 Budget and 2026 Rate Changes** |
| From: | Monica Padilla, CEO |
| Prepared by: | Amrit Singh, CFO |
| Date: | 11/24/2025 |

## RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend that the Silicon Valley Clean Energy(SVCE) Board of Directors ("Board") approve:

1. The proposed operating budget update for fiscal year 2025-26 (FY 26), which increases the withdrawal from reserves from the adopted budget level of $40.1 million to $60.1 million after updating for revenues, power supply expenses, investment-earning forecasts, and an additional transfer of $5.5 million to the building fund.
2. Setting SVCE generation rates at a 1% discount to comparable PG&E generation rates, providing a monthly bill credit of $12 to California Alternate Rates for Energy[1] (CARE) and Family Electric Rate Assistance (FERA)[2] customers; and
3. Establishing a new GreenPrime premium of $0.0074/kWh ($7.40/MWh), effective January 2026.

## BACKGROUND

When the Board adopted the FY 2026 budget at the September 2025 meeting, staff explained that the prices set by the California Public Utilities Commission (CPUC) for Market Price Benchmarks (MPBs), issued in the fall and used to determine Power Charge Indifference Adjustment (PCIA) rates, will significantly impact the budget. Staff discussed the high volatility in energy market prices, Resource Adequacy (RA) prices, and Renewable Portfolio Standard (RPS) prices, which make financial projections highly uncertain. Lower MPBs decrease generation rates and raise the PCIA, reducing SVCE's competitive margin. In developing the September budget, staff used its estimates of MPBs in calculating SVCE revenues with the NewGen Strategies model. These estimates, which also reflect the new CPUC methodology for calculating RA MPBs, led staff to estimate that revenues could decrease by $165 million compared to FY 2024-25 if CPUC's fall MPBs align with staff's estimates.

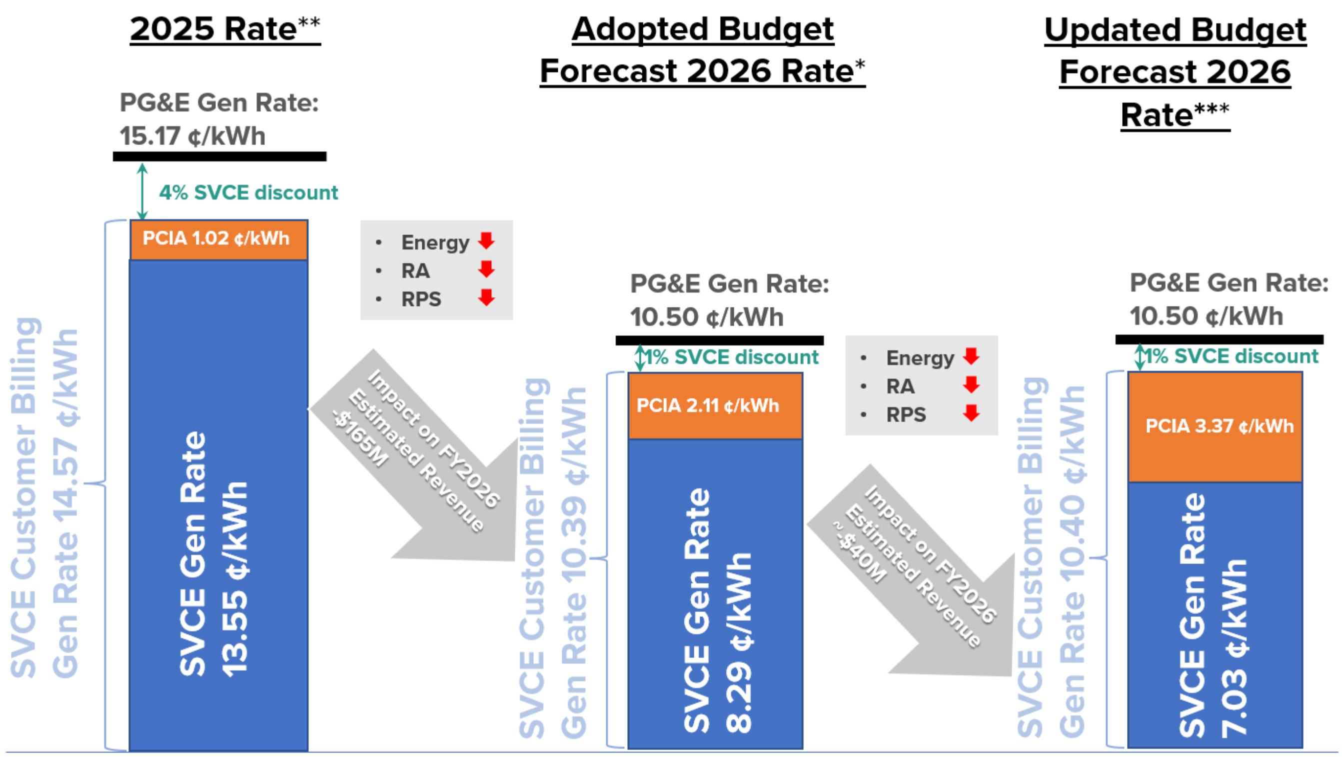
The adopted budget showed a withdrawal from reserves of $40.1 million. When adopting the budget at the September 2025 meeting, the Board maintained the 4% customer discount rate and the $17.50 monthly bill credit for low-income customers through December 2025. It then reduced the customer discount to 1% and the low-income monthly bill credit to $12, starting January 2026. The Board also agreed to revisit the budget,

[1] 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.
[2] 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.

the proposed customer discount rate, and the low-income monthly bill credit in December 2025, when there would be more certainty regarding PCIA and PG&E generation rates.

The recently issued CPUC MPBs reflect significantly lower RA, energy, and RPS prices, which collectively weaken SVCE's financial projections. System RA MPB prices for 2025/2026 are down by 72%/71%, and RPS prices are down 10%/12%, respectively, compared to 2025 MPB forecast levels published a year ago. Using the updated MPBs, PG&E issued its initial revised Energy Resource Recovery Account (ERRA)[3] forecast in October and another revised forecast – Fall Update ERRATA in November.

Based on PG&E's latest revised ERRA forecast and rate update, the average PG&E generation rate in January 2026 is expected to decrease by ~31 percent from the average 2025 rates, and PCIA, on average, is expected to increase from about 1.02 to 3.37 cents per kWh, or about 230 percent[4]. Relative to the September adopted budget, SVCE's margins are estimated to decrease further by approximately 15 percent, which reduces revenue projections by about $40 million. The most significant contributors to lower revenues are the overall softening of wholesale energy, RA, and RPS prices, which reduced the final 2025 and forecast 2026 MPBs. These changes are depicted in the chart below.




** Source: CalCCA NewGen Model analysis using market data as of 6/27/2025 and estimated CPUC attribute benchmarks for CY 2025-2026 (Weighted for SVCE Portfolio Load)*
*** PG&E 2025 Average Rate, effective January 1, 2025 (Weighted for SVCE Portfolio Load)*
**** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)*
*Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)*

[3] ERRA, the Energy Resource Recovery Account, is a balancing account utilized by PG&E to record and recover power costs associated with PG&E's authorized procurement plan. ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates.

[4] The final 2026 PCIA and PG&E generation rates are unknown until the end of December after PG&E updates ERRA account balances, the CPUC issues its decision, which will likely occur at its December 18, 2025, meeting, and PG&E files its Annual Electric True-up advice letter. Usually, after CPUC's Energy Division issues the MPBs in October, PG&E updates the ERRA forecasts, NewGen Consultants updates their rate models, and staff updates the budget and financial outlook using PG&E's ERRA update and the updated NewGen models.

**ANALYSIS & DISCUSSION**

The FY 26 Proposed Operating Budget update, shown in Attachment 1, is balanced and presents SVCE in a stable financial condition.

Based on the updated budget, the projected withdrawal from reserves increases from the adopted budget forecast of $40.1 million to $60.5 million, as illustrated in the table below.

| *($ in thousands)* | FY25-26 ADOPTED BUDGET | FY25-26 ADJUSTED BUDGET | Change $ | Change % |
|---|---|---|---|---|
| **Energy Revenues** | 358,416 | 319,324 | (39,092) | -10.9% |
| **Power Supply Expense** | 368,896 | 344,221 | (24,675) | -6.7% |
| **Operating Margin** | (10,480) | (24,897) | (14,417) | 137.6% |
| **Operating Expenses** | 43,193 | 43,193 | 0 | 0.0% |
| **Non-Operating Revenue (Expense)** | 21,384 | 20,854 | (531) | -2.5% |
| **Annual Transfers and Other Expenses** | | | | |
| Capital Outlay | 512 | 512 | 0 | 0.0% |
| Additional Transfer to Building Fund | 0 | 5,500 | 5,500 | 100.0% |
| Program Fund | 7,251 | 7,251 | 0 | 0.0% |
| **TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER** | 7,763 | 13,263 | 5,500 | 70.8% |
| **BALANCE AVAILABLE FOR RESERVES** | (40,052) | (60,500) | (20,448) | 51.1% |

The primary reason for the increased draw on reserves is the decline in SVCE's margin, which was caused by a higher PCIA than the one used by staff in creating the September-adopted budget.

Power Supply Update

The forecast also updates power supply costs. Since the September-approved budget, forward market prices for energy, resource adequacy (RA), and RPS attributes have decreased, while carbon-free attributes have increased[5]. These changes are the main factors that have led to lower projected supply costs for FY25-26 overall. The decline in energy costs is also due to the updated Energy Risk Management Policy, which considers the PCIA's financial hedge impact on an estimated basis, thereby reducing further deterioration of SVCE's financial position that would otherwise occur in a falling market price environment. The September-approved power supply budget was $368.8 million, but this updated forecast projects costs of $344.2 million, a reduction of $24.6 million. The revised costs also reflect changes in the power supply portfolio positions, including a favorable regulatory outcome that lowers RA costs by about $5 million in complying with CPUC's Mid-Term Reliability order, where any annual shortfalls do not need to be bridged with import RA if SVCE can comply by 2028.

Transfer to Building Fund

As part of the FY23–24 budget, the Board approved allocating $20 million to the Building Fund for the purchase of a new office facility. Staff completed the acquisition in February 2025 and have since been working with designers and architects to develop plans for the headquarters renovation and build-out.

In September, staff received the initial cost estimate for the construction of the new headquarters. After factoring in renovation, construction, permits, consultant fees, project management, and related costs, the projected total now exceeds the remaining balance in the originally approved $20 million Building Fund,

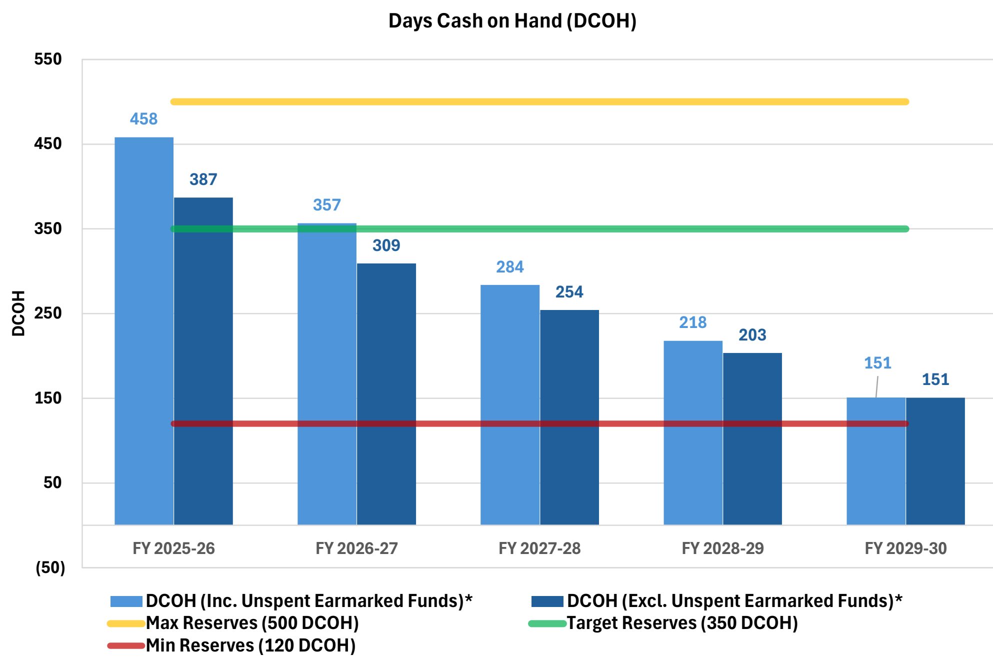
[5] The September approved budget anchored market prices to the end of June 2025. This proposed budget update anchors market prices to the end of October 2025.

requiring an additional allocation of $5.5 million. This estimate represents the best available information at this stage; more precise figures will be available once formal project bids are received in late December. Staff intends to return to the Board in January with a proposed construction contract.

Because the contract requires Board approval before March 2026, and the mid-year budget update is not scheduled until then, staff is bringing this funding request forward as part of this budget update. Staff was unable to present this request during the September Board meeting for budget approval, as the necessary cost information was not available at that time. However, the timing cannot be delayed until March 2026 because contract execution and construction must begin in January 2026 in order to move in by July 2026.

Staff is therefore requesting Board approval to allocate an additional $5.5M in this budget update to fund the projected costs for the new office building renovation and related fees.

<u>5-yr Financial Outlook Update and Recommended 2026 Customer Rate Proposal</u>
The 5-year margins remain negative under the business-as-usual scenario. This scenario is defined as all SVCE rates set at a competitive advantage to comparable PG&E rates. The 5-year financial outlook is similar to the one provided in the September adopted budget. Based on discussions with credit rating agencies and considering the current financial outlook, Staff recommends that SVCE manage its finances such that the Days Cash on Hand (DCOH) does not fall below 250. Under this scenario, reserves are forecasted to remain above 250 through the end of fiscal year 2027-2028 and then start declining below 250 in fiscal year 2028-2029, reaching 151 by the end of the 5-year forecast period.



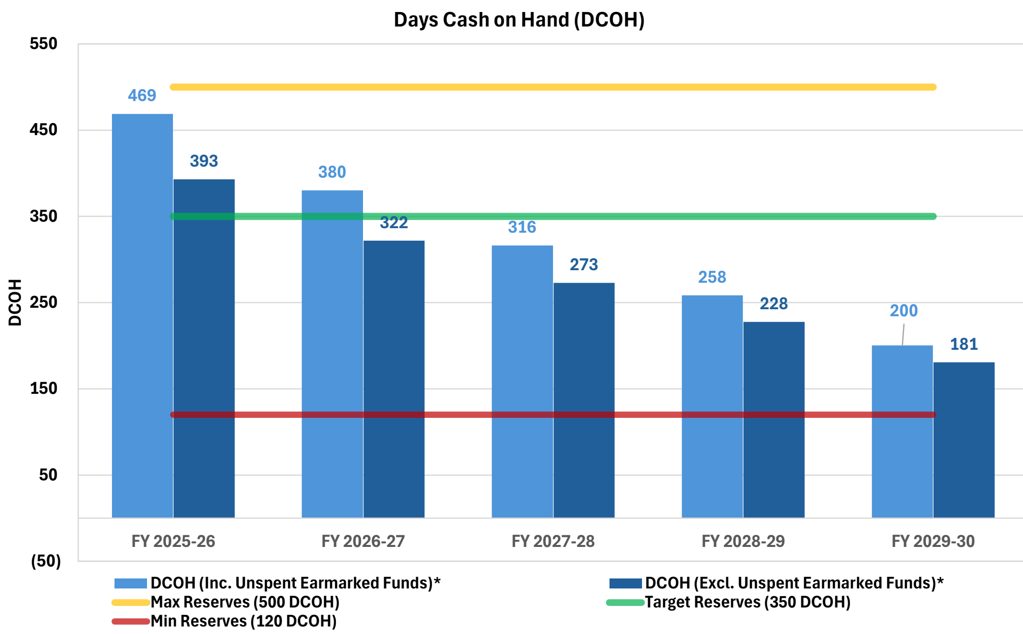

**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

In planning the 5-year forecast, staff recommends including some extra financial reserves or liquidity to account for some contingencies built into the creation of the budgets and the natural delay in customer adoption of program incentives.

In creating budgets, operating expenses, excluding power supply, are built with contingencies to provide operational flexibility and avoid the need for frequent budget amendments. For example, staff salaries are generally budgeted at a higher percentile of the salary band to account for adjustments, such as promotions, that may occur during the fiscal year. Similarly, other expenses are budgeted with contingencies to ensure necessary expenditures do not exceed the budget. While such contingencies are reasonable for seeking approval of a budget, over a 5-year forecast period, it is appropriate to account for the expected level of expenditure when projecting DCOH. Examining historical budget variances and considering forward expenditures, staff estimates that the costs required for budget flexibility are approximately $6.5 million per year. While remaining in the budget, these costs can be assumed unspent when assessing the agency's financial liquidity over a 5-year forecast period.

Another liquidity buffer that can be included is the lag in customer uptake of program incentives. For example, at the beginning of FY 2026, the budgeted but unspent program funds are close to $100 million. The above 5-year forecast assumes that by the end of the forecast period, the remaining program fund balance is zero. Staff recommends a reasonable scenario that assumes a remaining balance of $25 million. Under this scenario, if the program spending exceeds the levels that place a significant strain on finances, staff will propose any adjustments to the Board.

Incorporating the above adjustments to the reserve outlook improves the reserves as shown in the chart below:




**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

The resulting 5-year DCOH on hand improves to 200. Under the business-as-usual scenario, SVCE rates would need to be 1.8% higher than PG&E's forecasted comparable rates (starting in 2026) to reach the recommended DCOH level of 250. However, if SVCE continues the business-as-usual scenario for at least one year and sets rates for 2026 according to staff's proposal—offering a 1% discount to PG&E's rates plus a $12 monthly bill credit for low-income customers—and then adjusts rates in 2027 to reach an ending DCOH of 250, then SVCE rates would need to be 2.7% higher than the forecasted PG&E rates. From this analysis, the rate difference is 0.9% when charging the premium is delayed by one year, assuming continued operation under the business-as-usual scenario.

SVCE is already evaluating different operating scenarios referred to as the "Financial Levers" analyses. Suppose the current, uncertain financial forecasts, as explained in prior staff reports, including the June 2025 stress test report and presentation, were to prevail. In that case, SVCE will make adjustments as needed to the operating model as informed by the Financial Levers analyses. However, before completing the Financial

Levers analyses and reviewing and discussing the analyses with the Finance and Administration Committee, the Executive Committee, and the Board, staff does not recommend making any abrupt changes at this time. SVCE has built reserves to ensure the agency can withstand such financial outcomes. As the above analysis demonstrates, even under the business-as-usual scenario, the impact of a one-year delay is not significant. Additionally, it is worth noting that SVCE customer rates are expected to drop by approximately 30% in 2026 compared to 2025 levels.

Planned Timing and Approach for 2026 Rate Updates

The SVCE rate tables will be updated during the first three weeks of the month when PG&E's new rates become effective, which is expected to be January 2026. The exact timing will depend upon when PG&E's updated rates are received and the required time window for implementing new generation rates in SVCE's billing system.

100% Renewable Energy Option

The GreenPrime rate for 2026, SVCE's 100% renewable energy option, will reflect the January 2026 default GreenStart rates plus a premium of $0.0074 per kWh, as computed according to the Board-adopted methodology at the November 2024 Board meeting.

**STRATEGIC PLAN**

Rate setting is directly supported by 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 Finance and Administration Committee. At a strategic level, the Board can adjust the discount to PG&E, reduce the carbon-free and/or renewable percentages in the power supply portfolio, and cut expenditures on decarbonization programs.

**FISCAL IMPACT**

The updated budget reflects an increase in the withdrawal from reserves from the adopted budget level of $40.1 million to $60.5 million.

**ATTACHMENT**

1. FY25-26 Adjusted Budget Update
2. 5-year Financial Forecast

# SILICON VALLEY CLEAN ENERGY
## FY25-26 OPERATING BUDGET
### ($ in thousands)

| DESCRIPTION | FY25-26 ADOPTED BUDGET | FY25-26 ADJUSTED BUDGET | Change $ | Change % |
|---|---|---|---|---|
| **ENERGY REVENUES** | | | | |
| Energy Sales | 360,057 | 321,123 | (38,934) | -10.8% |
| Green Prime | 2,469 | 2,469 | 0 | 0.0% |
| Customer Bill Relief (Existing CARE/FERA) | (4,110) | (4,268) | (158) | 3.9% |
| Other Income | 0 | 0 | 0 | 0.0% |
| **TOTAL ENERGY REVENUES** | **358,416** | **319,324** | **(39,092)** | **-10.9%** |
| **ENERGY EXPENSES** | | | | |
| Power Supply | 368,896 | 344,221 | (24,675) | -6.7% |
| **OPERATING MARGIN** | **(10,480)** | **(24,897)** | **(14,417)** | **137.6%** |
| **OPERATING EXPENSES** | | | | |
| Data Management | 3,764 | 3,764 | 0 | 0.0% |
| PG&E Fees | 1,569 | 1,569 | 0 | 0.0% |
| Salaries and Retirement | 18,870 | 18,870 | 0 | 0.0% |
| Professional Services | 10,902 | 10,902 | 0 | 0.0% |
| Marketing & Promotions | 2,347 | 2,347 | 0 | 0.0% |
| General & Administrative | 5,742 | 5,742 | 0 | 0.0% |
| **TOTAL OPERATING EXPENSES** | **43,193** | **43,193** | **0** | **0.0%** |
| **OPERATING INCOME (LOSS)** | **(53,673)** | **(68,091)** | **(14,417)** | **26.9%** |
| **NON-OPERATING REVENUES** | | | | |
| Interest Income | 21,413 | 20,882 | (531) | -2.5% |
| **TOTAL NON-OPERATING REVENUES** | **21,413** | **20,882** | **(531)** | **-2.5%** |
| **NON-OPERATING EXPENSES** | | | | |
| Financing | 29 | 29 | 0 | 0.0% |
| **TOTAL NON-OPERATING EXPENSES** | **29** | **29** | **0** | **0.0%** |
| **TOTAL NON-OPERATING INCOME (EXPENSES)** | **21,384** | **20,854** | **(531)** | **-2.5%** |
| **CHANGE IN NET POSITION** | **(32,289)** | **(47,237)** | **(14,948)** | **46.3%** |
| **CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER** | | | | |
| Capital Outlay | 512 | 512 | 0 | 0.0% |
| Additional Transfer to Building Fund | 0 | 5,500 | 5,500 | 100.0% |
| Program Fund | 7,251 | 7,251 | 0 | 0.0% |
| **TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER** | **7,763** | **13,263** | **5,500** | **70.8%** |
| **BALANCE AVAILABLE FOR RESERVES** | **(40,052)** | **(60,500)** | **(20,448)** | **51.1%** |

| ($ 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[1] | $321,123 | $301,154 | $357,822 | $385,564 | $402,578 |
| GreenPrime Electricity Premium | $2,469 | $2,510 | $2,336 | $2,309 | $2,361 |
| Reduction in Revenue[1] | $(4,268) | $(957) | $0 | $0 | $0 |
| Other Income | $0 | $0 | $0 | $0 | $0 |
| **Total Operating Revenues** | **$319,324** | **$302,706** | **$360,158** | **$387,872** | **$404,939** |
| **Operating Expense** | | | | | |
| Power Supply | $344,221 | $347,583 | $363,375 | $384,686 | $406,000 |
| **Operating Margin** | **$(24,897)** | **$(44,877)** | **$(3,218)** | **$3,186** | **$(1,061)** |
| 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 | $6,054 | $7,203 | $7,757 | $8,099 |
| **Total Operating Expenses** | **$394,665** | **$398,487** | **$417,671** | **$441,890** | **$466,018** |
| **Operating Income** | **$(75,342)** | **$(95,781)** | **$(57,513)** | **$(54,018)** | **$(61,079)** |
| **Nonoperating Revenue** | | | | | |
| Investment Income | $20,882 | $15,222 | $10,803 | $9,477 | $7,405 |
| Grant Income | $0 | $0 | $0 | $0 | $0 |
| **Total Non-Operating Revenues** | $20,882 | $15,222 | $10,803 | $9,477 | $7,405 |
| **Nonoperating Expense** | | | | | |
| Financing Cost | $29 | $29 | $29 | $29 | $29 |
| Capital Outlay | $512 | $50 | $50 | $50 | $50 |
| **Total Non-Operating Expense** | **$541** | **$79** | **$79** | **$79** | **$79** |
| **Non-Operating Income** | **$20,342** | **$15,144** | **$10,724** | **$9,399** | **$7,327** |
| **Change in Net Position/Available for Reserves** | **$(60,500)** | **$(80,637)** | **$(46,789)** | **$(44,619)** | **$(53,752)** |
| Begin, Net Financial Position | **$585,328** | **$495,287** | **$389,499** | **$324,886** | **$263,808** |
| Adjustment for Program Expenditure and Building Fund[2] | **$(29,542)** | **$(25,151)** | **$(17,824)** | **$(16,459)** | **$(17,368)** |
| End, Net Financial Position | **$495,287** | **$389,499** | **$324,886** | **$263,808** | **$192,687** |

**1**. Assumptions: 4% discount relative to comparable PG&E rates for CY 2025 and 1% discount for CY 2026-30. FY 2025-26 includes additional discount in the form of CARE/FERA bill credit estimates to low-income customers for $4.3 million and FY 2026-27 for $1 million (through Dec 2026 only). No CARE/FERA bill credit is assumed for CY 2027-30.

**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 and the additional $5.5 million to be allocated in FY25-26 are expected to be spent by end of FY25-26.

**Staff Report – Item 4**

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| | |
|---|---|
| **Item 4:** | **Implementation of GASB 62 Rate Stabilization Fund** |
| From: | Monica Padilla, CEO |
| Prepared by: | Andrea Pizano, Sr. Executive Assistant/Board Clerk |
| Date: | 11/24/2025 |

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This item will be addressed in the form of a presentation to the Finance and Administration Committee regarding the implementation of the Government Accounting Standard Board (GASB) Standard 62 Rate Stabilization Fund. Establishing the fund was supported by the Finance and Administration Committee at the February 26, 2025 meeting, and later approved by the Board of Directors via Resolution 2025-06 at the March Board of Directors meeting.

**ATTACHMENT**

The presentation for this item is posted to SVCE's website.

**Staff Report – Item 5**

| | |
|---|---|
| **Item 5:** | **Treatment of GASB 96** |
| From: | Monica Padilla, CEO |
| Prepared by: | Andrea Pizano, Sr. Executive Assistant/Board Clerk |
| Date: | 11/24/2025 |

This item will be addressed in the form of a presentation to the Finance and Administration Committee regarding Government Accounting Standard Board (GASB) Standard 96, Subscription-Based Information Technology Arrangements.

**ATTACHMENT**
The presentation for this item is posted to SVCE's website.

**Staff Report – Item 6**

| | |
|---|---|
| **Item 6:** | **Review of Silicon Valley Clean Energy's Fourth Power Prepay Transaction** |
| From: | Monica Padilla, CEO |
| Prepared by: | Amrit Singh, CFO<br>Zak Liske, Deputy Director of Power Resources |
| Date: | 11/24/2025 |

## RECOMMENDATION

This is an informational item to review the details of the Silicon Valley Clean Energy (SVCE) fourth Prepay transaction that closed on November 3, 2025.

## BACKGROUND

At the August 13, 2025 meeting, the SVCE Board of Directors ("Board") authorized SVCE staff to execute the fourth Power Prepay transaction. The Board authorized the Chief Executive Officer (CEO) to execute the Power Supply Contract with the California Community Choice Financing Authority (CCCFA) and the related supporting agreements to enable SVCE to enter an approximately 30-year energy prepayment transaction.

The Board's authorization was subject to the following key 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 (defined in the Power Supply Contract), shall be at least eight percent.[1]

On October 21, 2025, SVCE, working with its financial advisor, PFM Financial Advisors LLC, and Morgan Stanley, as the underwriter of the bonds, successfully priced the bonds, and the transaction closed on November 3, 2025.

## ANALYSIS & DISCUSSION

The table below summarizes the details of the executed transaction:

| | |
|---|---|
| Aggregate Principal Bond Amount | $844,495,000 |
| Total Bond Proceeds | $929,071,174.25 |
| Municipal Bond Rating | Aa2 |
| Green Certification | Designated Green Bonds by Kestrel Verifiers |
| Initial Bond Pricing Period | • 8 years |

[1] The 8 percent saving was relative to a fixed price for energy deliveries under the power supply contract that was to be established at the time of the pricing of the bonds using available energy market prices and other information, and reviewed and approved by SVCE's financial advisor, PFM Financial Advisors LLC.

| | |
|---|---|
| | • After the initial period, bonds will be repriced per the negotiated repricing agreement, and a new discount will be established based on prevailing market conditions.[2] |
| Final Bond Maturity Date | January 1, 2056 |
| Discount Achieved | • $11.65 per MWh, about 10.8% of the price established for energy deliveries under the power supply contract.<br>• ~$4.6 million average per year during the initial bond pricing period of 8 years. |
| Energy Volume Supported by Bond Proceeds | ~44 MW average during the initial bond pricing period (about 10% of load) |
| Power Delivery Start Date | January 1, 2026 |

The table below summarizes the approximate breakdown of the cost of issuing the bonds, including underwriting, rating agency, trustee, financial advisor, legal, and other expenses, which were paid from the bond proceeds. The savings listed in the above table are net of these costs.

| **Cost of Issuance (COI)** | **$ in 000's** |
|---|---|
| | |
| Bond and Tax Counsel: Ballard Spahr | 250 |
| Credit Rating: Moody's | 281.5 |
| Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP | 175 |
| Municipal Advisor: PFM Financial Advisors LLC | 230 |
| Investment Advisor: PFMAM (US Bank) | 25 |
| Trustee: BNY Mellon Corporate Trust | 20.2 |
| Trustee Counsel: Ballard Spahr | 35 |
| Printing Cost: ImageMaster | 4 |
| Green Bond Second Party Opinion: Kestrel | 22.6 |
| Audit/Accounting: Maher Accountancy | 24 |
| Administration Fee: CCCFA | 20 |
| Contingency/Other | 15.8 |
| **Total COI** | 1,103.1 |
| | |
| Morgan Stanley Underwriting | 3,987.8 |
| **Total** | **5,090.9** |

*Next Steps*
CCCFA will have ongoing annual disclosure requirements to the Municipal Securities Rulemaking Board (MSRB) that staff will coordinate with CCCFA. SVCE has initially assigned a short-term energy supply contract into the Prepay that expires at the end of 2027. Before the end of 2027, SVCE will need to assign another existing or new energy contract.

**STRATEGIC PLAN**
Entering a Prepayment transaction furthers Goals #4, #5, and #6 of the SVCE Strategic Plan:

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 power supply resources to meet affordability, GHG reduction, and reliability objectives.

Goal #6: Maintain a healthy financial position; avoid failures in management of market risk, credit

[2] The repricing agreement has a minimum savings requirement of $5.83 per MWh.

risk, liquidity risk, operational risk, and enterprise risk.

**FISCAL IMPACT**

The proposed prepayment transaction will save SVCE, on average, about $4.6 million per year during the initial term of the bonds. The combined annual average savings from all four Prepay transactions are about $19 million.

**ATTACHMENTS**

1. Official Statement to Investors with Pertinent Transaction Information

**NEW ISSUE - BOOK-ENTRY ONLY** **RATING: (SEE "RATING" HEREIN)**

*In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax, under existing laws as of the date of initial delivery of the Bonds and assuming continuing compliance with the requirements of federal tax law. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.*

CCCFA California Community Choice Financing Authority

kestrel

# $844,495,000
# CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
## CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2025F (GREEN BONDS) (TERM RATE)

**DATED: Date of Delivery** **DUE: As shown on the inside cover**

California Community Choice Financing Authority ("*CCCFA*") is issuing its Clean Energy Project Revenue Bonds, Series 2025F (Green Bonds) (Term Rate) (the "*Series 2025F Bonds*" or "*Bonds*"), under a Trust Indenture between CCCFA and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be issued in book-entry form through the facilities of The Depository Trust Company ("*DTC*"). Purchases of the Bonds will be made in book-entry form through DTC participants in denominations of $5,000 or any multiple thereof. Payments of principal of, premium, if any, and interest on the Bonds will be made directly to DTC and will subsequently be disbursed to DTC participants and thereafter to Beneficial Owners of the Bonds, all as described herein. Capitalized terms used and not otherwise defined on this cover page have the meanings set forth herein.

From their initial issue date (the "*Initial Issue Date*") to and including October 31, 2033 (the "*Initial Interest Rate Period*"), the Bonds will bear interest in a Term Rate Period, as shown on the inside cover page and described herein. During the Initial Interest Rate Period, interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2026. The Bonds are subject to optional and extraordinary mandatory redemption and mandatory tender for purchase at the option of CCCFA during the Initial Interest Rate Period.

Proceeds of the Bonds will be used to prepay the costs of the acquisition of EPS Compliant Energy to be delivered over approximately 30 years under a Prepaid Energy Sales Agreement (the "*Prepaid Energy Sales Agreement*"), between Energy Prepay IX, LLC, a Delaware limited liability company (the "*Energy Supplier*") and CCCFA. "*EPS Compliant Energy*" means three-phase, 60-cycle alternating current electric energy ("*Energy*") that the Project Participant (hereinafter defined) can contract for and purchase in compliance with California's Emissions Performance Standards ("*EPS*"), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant. Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of EPS Compliant Energy to CCCFA (the "*Prepaid Energy*"), make certain payments for any Prepaid Energy not delivered, remarket quantities of Base Energy (defined herein) in respect of Prepaid Energy not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment (defined herein) will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable.

The Energy Supplier will deliver a specified amount from the prepayment it receives from CCCFA under an Investment Agreement (the "*Funding Agreement*") with Canadian Imperial Bank of Commerce, acting through its New York Branch (the "*Funding Recipient*"), and will enter into an Energy Management Agreement (the "*Energy Management Agreement*") with Morgan Stanley Capital Group Inc. ("*MSCG*"). Under the Energy Management Agreement, MSCG will sell electricity to the Energy Supplier in the quantities and at the delivery points necessary for the Energy Supplier to meet its obligations to CCCFA under the Prepaid Energy Sales Agreement and for CCCFA to meet its obligations to the Project Participant under the Power Supply Contract (as defined herein). The monthly payments made by the Funding Recipient under the Funding Agreement will provide amounts sufficient to enable the Energy Supplier to meet its payment obligations under the Energy Management Agreement and, if applicable, the Energy Supplier Commodity Swap. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by Morgan Stanley under a guarantee agreement (the "*Morgan Stanley Guarantee*").

CCCFA will sell all of the Prepaid Energy acquired under the Prepaid Energy Sales Agreement to Silicon Valley Clean Energy Authority ("*SVCE*" or the "*Project Participant*") under a Power Supply Contract (the "*Power Supply Contract*") between CCCFA and the Project Participant. Under the terms of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant may assign its rights to the delivery of EPS Compliant Energy under existing and future power purchase agreements to the Energy Supplier or to MSCG for ultimate delivery of such EPS Compliant Energy from such agreements to the Project Participant. The Project Participant has entered into a limited assignment agreement relating to specific power purchase agreement(s) as of the Date of Delivery.

The Bonds have been designated "Green Bonds". See "DESIGNATION OF BONDS AS GREEN BONDS" and Second Party Opinion by Kestrel set forth herein.

THE PAYMENT OF THE BONDS IS NOT GUARANTEED BY THE ENERGY SUPPLIER, MSCG, MSCS, MORGAN STANLEY, THE FUNDING RECIPIENT, THE UNDERWRITER, THE COMMODITY SWAP COUNTERPARTY, THE INVESTMENT AGREEMENT PROVIDER, CCCFA OR ITS MEMBERS, OR THE PROJECT PARTICIPANT. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE MEMBERS OF CCCFA, THE PROJECT PARTICIPANT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE AND NEITHER THE FAITH AND CREDIT OF CCCFA NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYMENTS PURSUANT TO THE INDENTURE OR THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE.

This Official Statement describes the Bonds only during the Initial Interest Rate Period and must not be relied upon if the Bonds are converted to any other interest rate period. The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "INVESTMENT CONSIDERATIONS" herein.

*The Bonds are offered, when, as and if issued by CCCFA and accepted by the Underwriter, subject to the approval of validity by Ballard Spahr LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for CCCFA by its General Counsel, for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 3, 2025.*

**Morgan Stanley**

This Official Statement is dated October 22, 2025.

**$844,495,000**
**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY**
**CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2025F (TERM RATE)**

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS[1]**

| MATURITY DATE | PRINCIPAL AMOUNT | INTEREST RATE | YIELD | CUSIP |
|---|---|---|---|---|
| November 1, 2033 | $844,495,000 | 5.000% | 3.550% | 13013JHH2 |

1 CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of bondholders only. CCCFA and the Underwriter make no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to a refunding in whole or in part of the Bonds.

The information contained in this Official Statement has been obtained from CCCFA, the Project Participant, the Energy Supplier, MSCG, MSCS, the Funding Recipient, Morgan Stanley, the Commodity Swap Counterparty, DTC and other sources believed to be reliable. This Official Statement is submitted in connection with the sale of the securities described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement speaks only as of its date and the information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of any party since the date of this Official Statement.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by CCCFA or the Underwriter. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has or will have passed upon the adequacy of this Official Statement or, except for CCCFA, approved the Bonds for sale.

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In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. No commission or authority has confirmed the accuracy or determined the adequacy of this document.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE BONDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

CCCFA and the Project Participant each maintain a website and certain social media accounts. However, the information presented on such website and on such accounts is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. CCCFA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY**

**1125 TAMALPAIS AVENUE**
**SAN RAFAEL, CA 94901**

**BOARD OF DIRECTORS**

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Robert M. Shaw, Vice Chair
Howard Chang, Member
Monica Padilla, Member
Vicken Kasarjian, Member

**MANAGEMENT**

Garth Salisbury, Treasurer/Controller
David J. Ruderman, Colantuono, Highsmith & Whatley, PC, General Counsel

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Ava Community Energy Authority
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City of San José
Clean Power Alliance of Southern California
Marin Clean Energy
Peninsula Clean Energy Authority
Pioneer Community Energy
San Diego Community Power
Silicon Valley Clean Energy Authority
Sonoma Clean Power Authority
Valley Clean Energy Alliance

**PROJECT PARTICIPANT**

Silicon Valley Clean Energy Authority

**GREEN BONDS EXTERNAL REVIEWER**

Kestrel

**BOND COUNSEL**

Ballard Spahr LLP

**PROJECT PARTICIPANT'S COUNSEL**

Chapman and Cutler LLP

**TRUSTEE**

The Bank of New York Mellon Trust Company, N.A.

**FINANCIAL ADVISOR**

PFM Financial Advisors LLC

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# OFFICIAL STATEMENT

## $844,495,000
## CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
## CLEAN ENERGY PROJECT REVENUE BONDS (GREEN BONDS) (TERM RATE)
## SERIES 2025F

## INTRODUCTION

This Official Statement, which includes the cover page and appendices attached hereto, contains information concerning (a) California Community Choice Financing Authority (*"CCCFA"* or the *"Issuer"*), (b) CCCFA's Clean Energy Project Revenue Bonds, Series 2025F (Green Bonds) (Term Rate) (the "*Series 2025F Bonds*" or *"Bonds"*), being issued in the aggregate principal amount of $844,495,000 and (c) the Clean Energy Project (defined below) being financed with proceeds of the Bonds. Capitalized terms used herein have the meanings shown in APPENDIX B.

*California Community Choice Financing Authority*

California Community Choice Financing Authority is a joint powers agency organized and existing under the laws of the State of California (the *"State"*) with the power to issue the Bonds and enter into the transaction documents described herein. As of the date of this Official Statement, the members of CCCFA are Ava Community Energy Authority, Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy, the Project Participant (Silicon Valley Clean Energy Authority) (each a "Founding Member") and San Diego Community Power, Pioneer Community Energy, Peninsula Clean Energy Authority, the City of San José through its community choice aggregator program known as San José Clean Energy, Sonoma Clean Power Authority and Valley Clean Energy Alliance (each an "Associate Member" and, together with the Founding Members and any additional members which may later be added as parties to the JPA Agreement, a "Member"). CCCFA is authorized to exercise the common powers of its Members and to undertake all actions permitted by the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the *"Act"*), in connection with the clean energy project, including the purchase of the Prepaid Energy and the sale thereof to the Project Participant, and the entry into of the related agreements described herein (referred to herein as the *"Clean Energy Project"*). See "CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY" and "COMMUNITY CHOICE AGGREGATORS" herein.

*The Bonds*

The Bonds will bear interest in a Term Rate Period, with interest payable semiannually on each May 1 and November 1, commencing May 1, 2026, all as shown on the inside cover page and as described herein. The Bonds are subject to optional redemption, extraordinary mandatory redemption and mandatory tender for purchase at the option of CCCFA as described herein. As shown on the inside cover page, the Bonds are being issued with a serial maturity due on November 1, 2033 (the *"Final Maturity Date"*). The period from the Initial Issue Date of the Bonds to (but not including) the Final Maturity Date is sometimes referred to herein as the *"Initial Interest Rate Period."* See "THE BONDS — *Interest*."

The Bonds maturing on the Final Maturity Date are *"Extendable Maturity Bonds"* (as defined in the Indenture) and are subject to mandatory tender for purchase at the option of CCCFA in whole or in part on and after the first day of the third month preceding the Final Maturity Date. The date selected by CCCFA for the mandatory tender and purchase of the Bonds is a "Mandatory Purchase Date" under the Indenture. In the event that the Extendable Maturity Bonds are not refunded prior to the Final Maturity Date, CCCFA expects to require Bondholders to tender these Bonds for purchase and to remarket these Bonds with an extended Final Maturity Date (the *"Extended Final Maturity Date"*) as provided in the Indenture. Any Extended Final Maturity Date shall be no later than the first day of the second month following the end of the Delivery Period under the Prepaid Energy Sales Agreement described herein (*i.e.,* no later than February 1, 2056).

Under the Indenture, a "Failed Remarketing" will occur upon:

(a) a failure of CCCFA to (i) establish an Extended Final Maturity Date and to deposit or cause to be deposited with the Trustee an amount equal to the principal amount of the Bonds due on the Final Maturity Date by noon New York City time on the fifth Business Day preceding the Final Maturity Date or (ii) purchase, redeem or pay the Bonds in whole by the Final Maturity Date (including from any funds on deposit in the Assignment Payment Fund and required to be used for such redemption); or

(b) after an extension of the Final Maturity Date, a failure of the Trustee to (i) pay the Purchase Price of the Bonds required to be purchased on any Mandatory Purchase Date or (ii) redeem such Bonds in whole on any Mandatory Purchase Date (including from any funds required from an Assignment Payment to the Assignment Payment Fund).

A Failed Remarketing will result in an Early Termination Payment Date under the Prepaid Energy Sales Agreement and the final payment of the Bonds on the Final Maturity Date.

*Security for the Bonds*

The Bonds are issued pursuant to the authority contained in the Act and are issued and secured under a Trust Indenture, to be dated as of the first day of the month in which the Bonds are issued (the *"Indenture"*), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee (the *"Trustee"*). The Bonds are special and limited obligations of CCCFA, are payable solely from and secured solely by the Trust Estate pledged by the Indenture and are expected to be paid from the revenues of the Clean Energy Project.

The payment of the principal of and premium, if any, and interest on the Bonds are secured by a pledge of all right, title and interest of CCCFA in and to the Trust Estate established by the Indenture, which Trust Estate includes (among other things) CCCFA's rights under the Power Supply Contract (except for the right to receive the Project Administration Fee), the Revenues, any Termination Payment payable by the Energy Supplier under the Prepaid Energy Sales Agreement, CCCFA's rights under the Receivables Purchase Provisions (as defined herein), CCCFA's rights with respect to the Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty, if any, and the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. The pledge of and lien on the Trust Estate in favor of the Bonds is subject to certain provisions of the Indenture. The Bonds are expected to be paid from the Revenues which (among other things) include the revenues received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement, Commodity Swap Receipts received by the Trustee on behalf of CCCFA under the CCCFA Commodity Swap and interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the payment from the Revenues of the Operating Expenses (as defined herein) of the Clean Energy Project. The Indenture includes provisions for the application of various other amounts under the Clean Energy Project that do not constitute Revenues.

Among other funds and accounts, the Indenture establishes a Revenue Fund, an Operating Fund, a Debt Service Account within the Debt Service Fund and a Commodity Swap Payment Fund, and establishes the funding requirements therefor. Scheduled Debt Service Deposits are required to made into the Debt Service Account and will be initially invested pursuant to the Debt Service Account Investment Agreement described herein. See "SECURITY FOR THE BONDS—*Investment of Funds*".

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE MEMBERS OF CCCFA, THE PROJECT PARTICIPANT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE. CCCFA HAS NO TAXING POWER. SEE "SECURITY FOR THE BONDS".

*The Clean Energy Project*

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of a 30-year supply of EPS Compliant Energy (the "*Prepaid Energy*") under a Prepaid Energy Sales Agreement between CCCFA and Energy Prepay IX, LLC, a Delaware limited liability company (the *"Energy Supplier"*) and the sale thereof to the Project Participant as hereinafter described. The Energy Supplier is a special purpose entity organized for the sole purpose of undertaking various aspects of the Clean Energy Project. MSCG is the sole member of the Energy Supplier.

The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to MSCG, a portion of the Project Participant's rights and obligations (the *"Assigned Rights and Obligations"*) to receive certain quantities *("Assigned Quantities"*) of EPS Compliant Energy (*"Assigned Energy"*), which assignments may include renewable energy credits *("RECs"*), capacity, or other related products (collectively, *"Assigned Products"*) under existing and future power purchase agreements *("PPAs"*). With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier's obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. See "THE CLEAN ENERGY PROJECT".

Under an Energy Management Agreement (the *"Energy Management Agreement"*) between MSCG and the Energy Supplier, MSCG has agreed to sell electricity to the Energy Supplier on a pay-as-you-go basis in the quantities and at the delivery points necessary, and has agreed to provide the necessary related services, to enable the Energy Supplier to meet its electricity delivery, payment, remarketing and Receivables Purchase obligations under the Prepaid Energy Sales Agreement.

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Energy Management Agreement, the Funding Agreement, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, the Funding Recipient, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap.

For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see "THE PREPAID ENERGY SALES AGREEMENT".

*The Project Participant*

CCCFA has entered into a Power Supply Contract (the *"Power Supply Contract"*) for the sale of the Prepaid Energy with Silicon Valley Clean Energy Authority (*"SVCE"*), a joint powers authority and a community choice aggregator duly organized and existing under the laws of the State of California (the *"Project Participant"*). See "COMMUNITY CHOICE AGGREGATORS" for certain information with respect to California community choice aggregators. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT". See APPENDIX A for certain information with respect to the Project Participant.

*The Prepaid Energy Sales Agreement*

*General.* During the Delivery Period, the Prepaid Energy Sales Agreement provides for monthly deliveries by the Energy Supplier to CCCFA of a portion of the Annual Quantity of Prepaid Energy. To the extent (a) the Annual Quantity has not been delivered for the then-current Contract Year as of the end of a Month, and (b) the Assigned Quantities delivered under the initially Assigned PPA or any future Assigned PPA for any month is less than the Monthly Projected Quantity for such month, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Average Price for the relevant month (any such payment, a "*Provisional Payment*"). After the Annual Quantity has been delivered for any Contract Year, the Energy Supplier shall pay CCCFA the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year. Other than the Energy Supplier's Provisional Payment obligation, neither CCCFA nor the Energy Supplier will have any liability or other obligation to one another for any failure to schedule, receive or deliver Assigned Energy, as further discussed under "The Prepaid Energy Sales Agreement — *Assignment of Power Purchase Agreements*" herein. To the extent that EPS Compliant Energy is not available for delivery pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier's obligation to deliver the Assigned Products will be replaced with an obligation to deliver firm (LD) energy ("*Base Energy*"), and the Energy Supplier is obligated to remarket Base Energy under the Prepaid Energy Sales Agreement and remit the proceeds thereof to CCCFA. The Energy Supplier is also obligated to make payments to CCCFA for Base Energy not delivered or remarketed under the Prepaid Energy Sales Agreement, including for *Force Majeure* events.

*Replacement of Initially Assigned PPA.* In the event of any expiration or termination of the Initial Assigned Rights and Obligations, the Project Participant is required to use Commercially Reasonable Efforts to assign replacement Assigned Rights and Obligations to MSCG or the Energy Supplier for delivery of Assigned Energy equal to the Prepaid Quantities ("*Replacement Assigned Rights and Obligations*"). **Assigned Rights and Obligations are expected to be in place for the entirety of the Initial Reset Period, and Base Energy is not expected to be delivered during the Initial Reset Period.**

*Provisional Payments and Energy Remarketing.* In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, and the Annual Quantity has not been delivered as of the end of that month, the Energy Supplier will be obligated to pay the Provisional Payment to CCCFA. To the extent that the Energy Supplier makes one or more Provisional Payments to CCCFA in any Contract Year and the Annual Quantity is not delivered in full within such Contract Year, the Energy Supplier will be deemed to have remarketed such Assigned Quantities not delivered (other than the amount that was not delivered due to Force Majeure) and to have purchased such Assigned Quantities for its own account (at a price equal to the weighted average price of such Provisional Payments), and such purchase will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of any such sale within twelve months of the first day of the Month prior to the Month in which CCCFA or the Project Participant receives the proceeds of such sale, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to Municipal Utilities.

In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. To the extent the Project Participant exercises Commercially Reasonable Efforts to enter into such a limited assignment but is unable to do so, then, subject to certain conditions, the Energy Supplier shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price, and the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy. See "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

***Base Energy is not expected to be delivered during the Initial Reset Period.***

*Termination of Energy Deliveries.* The occurrence of an Energy Delivery Termination Event will automatically result in the termination of electricity deliveries under the Prepaid Energy Sales Agreement as of the date of such event (the "*Energy Delivery Termination Date*"). The events that constitute an Energy Delivery Termination Event are described under the caption "THE PREPAID ENERGY SALES AGREEMENT – *Energy Delivery Termination Events*" and include (among other things): (a) the occurrence of a Ledger Event; and (b) the designation of an early termination date under the Energy Management Agreement upon the occurrence of an MSCG Default or an Energy Supplier Default (an *"EMA Early Termination Date"*) and the Energy Supplier is unable to enter into a replacement Energy Management Agreement by the date that is 120 days following such EMA Early Termination Date.

If an Energy Delivery Termination Date occurs, the obligations of the Energy Supplier and CCCFA to deliver and receive electricity will terminate, and the Energy Supplier will be required to pay scheduled monthly amounts to CCCFA until the earlier of (a) the Month in which an Early Termination Payment Date occurs or (b) the last scheduled due date for such monthly amounts. Such scheduled monthly amounts are payable to the Trustee for deposit into the Revenue Fund and have been calculated to be sufficient, along with other funds anticipated to be on hand, to enable the Trustee to make the transfers required by the Indenture in respect of Scheduled Debt Service Deposits. *The use of these scheduled payments (in lieu of payments made by the Project Participant under the Power Supply Contract) to make Scheduled Debt Service Deposits and debt service payments on the Bonds could, under certain circumstances, adversely affect the continued tax-exempt status of interest on the Bonds*.

*Early Termination of the Prepaid Energy Sales Agreement.* The occurrence of an Acceleration Event will result in both an Energy Delivery Termination Date and an Early Termination Payment Date under the Prepaid Energy Sales Agreement. The events that constitute an Acceleration Event are described under the caption "THE PREPAID ENERGY SALES AGREEMENT—*Acceleration Events*" and include (among other things) (a) the acceleration of the Funding Recipient's payment obligations under the Funding Agreement due to a Funding Recipient Event of Default thereunder or an Energy Delivery Termination Date resulting from a Ledger Event under the Prepaid Energy Sales Agreement, or (b) the occurrence of a Failed Remarketing.

If an Acceleration Event occurs, except in the case of a Failed Remarketing, the Energy Supplier is required to pay a scheduled termination payment (the "*Termination Payment*") to CCCFA on the last Business Day of the Month following the Month in which the Acceleration Event occurs (the "*Early Termination Payment Date*"). In the case of an Acceleration Event resulting from a Failed Remarketing, the Early Termination Payment Date will be the last business day of the current Interest Rate Period.

If an Early Termination Payment Date occurs, the Bonds will be subject to extraordinary mandatory redemption in whole, or payable upon final maturity, on the first day of the next Month. The amount of the Termination Payment declines over time. The Termination Payment payable by the Energy Supplier, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that the Energy Supplier and the Funding Recipient pay their respective contract obligations when due. A performance shortfall from any one of these entities could result in a payment shortfall to Bondholders.

See "THE PREPAID ENERGY SALES AGREEMENT" and "THE BONDS — *Redemption — Extraordinary Mandatory Redemption*". A schedule of the amount of the Termination Payment for each month during the initial Reset Period under the Prepaid Energy Sales Agreement is attached as APPENDIX I.

*The Funding Agreement*

Upon receipt of the prepayment proceeds from CCCFA under the Prepaid Energy Sales Agreement, the Energy Supplier will deliver a specified amount from such proceeds to the Funding Recipient under an Investment Agreement (the *"Funding Agreement"*) between the parties. Such amount will earn a fixed rate of interest. The Funding Agreement will mature by its terms on the last Business Day preceding the Final Maturity Date of the Bonds (the *"Funding Agreement Final Maturity Date"*) unless terminated earlier.

The Funding Agreement provides for monthly withdrawals of scheduled amounts (the "*Scheduled Withdrawal Amounts*"), including a final withdrawal of the unamortized balance of the amount invested on the Final Maturity Date (the "Final Payment Amount") payable to the Energy Supplier. The monthly Scheduled Withdrawal Amounts provide amounts sufficient to enable the Energy Supplier to meet its payment obligations (other than those in respect of the Receivables Purchase Provisions) under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap.

*The ability of the Energy Supplier to meet its obligations under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap will directly and materially depend upon full and timely performance of the Funding Recipient under the Funding Agreement. Any failure by the Funding Recipient to timely pay the Scheduled Withdrawal Amounts or the Final Payment Amount when due under the Funding Agreement will result in an inability of the Energy Supplier to meet its contract obligations to CCCFA and a shortfall in the amounts necessary for CCCFA to pay the principal, interest, Redemption Price and purchase price due on the Bonds. The Funding Agreement is an unsecured obligation of the Funding Recipient. See* "INVESTMENT CONSIDERATIONS—*Performance by Others*."

*Energy Management Agreement*

Under the Energy Management Agreement, MSCG has agreed to sell electricity to the Energy Supplier on a pay-as-you-go basis in the quantities and at the delivery points necessary to enable the Energy Supplier to meet its electricity delivery obligations under the Prepaid Energy Sales Agreement. MSCG has also agreed to remarket electricity and make payments to the Energy Supplier that enable it to meet its obligations under the Prepaid Energy Sales Agreement, including payments for Base Energy not delivered or taken under the Energy Management Agreement for any reason, including force majeure events. MSCG is appointed as the Energy Supplier's agent for taking all actions that the Energy Supplier is required or permitted to take under the Prepaid Energy Sales Agreement, the Energy Supplier Commodity Swap, the Re-Pricing Agreement and (with respect to ordinary course transactions) the Energy Management Agreement. MSCG's electricity delivery, payment, remarketing and Receivables Purchase obligations under the Energy Management Agreement mirror the corresponding obligations of the Energy Supplier under the Prepaid Energy Sales Agreement. The Energy Supplier may net any outstanding amounts due and owing to it by MSCG against its monthly payments to MSCG, but MSCG is not entitled to net any amounts due and owing to it against its monthly payments to the Energy Supplier. See "THE ENERGY MANAGEMENT AGREEMENT."

*The Receivables Purchase Provisions*

The Prepaid Energy Sales Agreement contains provisions (the "Receivables Purchase Provisions") designed to mitigate the risk of non-payment by the Project Participant under the Power Supply Contract. Upon a payment default by the Project Participant, the Receivables Purchase Provisions require CCCFA to put, and require the Energy Supplier, as Receivables Purchaser, to purchase, the amount equal to the non-payment by the Project Participant ("Put Receivables" or "Receivables"). Amounts received by the Trustee from the sale of Put Receivables will be deposited into the Revenue Fund and applied in accordance with the priorities established under the Indenture.

Under the Energy Management Agreement, MSCG has agreed to accept as payment from the Energy Supplier all Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions.

See "THE PREPAID ENERGY SALES AGREEMENT—*Receivables Purchase Provisions*".

*The Power Supply Contract*

The Power Supply Contract provides for the sale to the Project Participant of the Prepaid Energy to be delivered to CCCFA over the term of the Prepaid Energy Sales Agreement. Such Prepaid Energy will be comprised of the Assigned Quantities under Assigned PPAs and, to the extent such Assigned Quantities are less than the Prepaid Quantities for any measurement period specified in the Power Supply Contract and the Energy Supplier is otherwise unable to deliver make-up quantities of EPS Compliant Energy, Base Energy. Under the Power Supply Contract, CCCFA has agreed to deliver, and the Project Participant has agreed to purchase, such Assigned Quantities and to cause the remarketing of any Base Energy during the Delivery Period. Base Energy is required to be remarketed under the Prepaid Energy Sales Agreement, subject to the requirements set forth therein. In the event that the Energy Supplier is unable to remarket any such Base Energy, the Energy Supplier has agreed to purchase such Base Energy for its own account.

**The payments required to be made under the Power Supply Contract, together with any net amounts received by CCCFA under the CCCFA Commodity Swap described below, constitute the primary and expected source of the Revenues pledged to the payment of the Bonds. The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from its community choice aggregator power supply operations. Under the Power Supply Contract, the Project Participant makes payments directly to the Trustee for deposit into the Revenue Fund. See "THE POWER SUPPLY CONTRACT".**

**THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.**

*Re-Pricing Agreement*

On the initial issue date of the Bonds, CCCFA and the Energy Supplier will enter into a Re-Pricing Agreement (the *"Re-Pricing Agreement"*), which provides for (a) the determination of Energy Delivery Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds (*"Reset Periods"*) and (b) the determination of the amount of the discount (in US Dollars per MWh) to the Index Price that will be available for such Reset Period (the *"Available Discount"*) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period. The Initial Reset Period begins on the first day of January 2026 and ends on the last day of September 2033 (the "*Initial Reset Period*"). See "THE RE-PRICING AGREEMENT".

*Commodity Swaps*

*CCCFA Commodity Swap*. CCCFA will enter into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the monthly notional quantities specified in the CCCFA Commodity Swap.

*Energy Supplier Commodity Swap*. The Energy Supplier will enter into the Energy Supplier Commodity Swap with the same Commodity Swap Counterparty under which the Energy Supplier pays a fixed price and the Commodity Swap Counterparty pays a floating price. The notional energy quantities under the Energy Supplier Commodity Swap match those under the CCCFA Commodity Swap and, accordingly, those under the Prepaid Energy Sales Agreement.

*Term*. The Commodity Swaps extend for the term of the Delivery Period under the Prepaid Energy Sales Agreement, but are subject to early termination upon the occurrence of certain events. Termination of either of the Commodity Swaps without replacement by CCCFA and the Energy Supplier will give rise to early termination rights under, and in some cases result in automatic termination of, the Prepaid Energy Sales Agreement, which would result in the extraordinary mandatory redemption of the Bonds pursuant to the Indenture.

*Commodity Swap Counterparty*. The commodity swap counterparty is BP Energy Company (the "*Commodity Swap Counterparty*"). For a description of certain provisions of the Commodity Swaps, see "THE COMMODITY SWAPS." For information regarding the Commodity Swap Counterparty, see "THE COMMODITY SWAP COUNTERPARTY."

*Custodial Agreements.* CCCFA will enter into a Custodial Agreement (the *"CCCFA Custodial Agreement"*), with the Commodity Swap Counterparty, the Trustee and The Bank of New York Mellon Trust Company, N.A., as Trustee and as custodian (in such capacity, the "*Custodian*") to administer payments under the CCCFA Commodity Swap. The Energy Supplier will enter into a separate Custodial Agreement with the Commodity Swap Counterparty, the Trustee and the Custodian, to administer payments under Energy Supplier Commodity Swap (the "*Energy Supplier Custodial Agreement,*" and together with the CCCFA Custodial Agreement, the "*Custodial Agreements*"). The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of a Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap, and mitigate risks to the Energy Supplier resulting from a failure of a Commodity Swap Counterparty to make payments to the Energy Supplier under the Energy Supplier Commodity Swap. See "The Commodity Swaps—Custodial Agreements."

*The Energy Supplier, MSCG and MSCS*

*The Energy Supplier*. The Energy Supplier is a Delaware limited liability company organized for the sole purpose of entering into the transactions on its part with respect to the Clean Energy Project. MSCG is the sole member of the Energy Supplier, and will provide initial funding to the Energy Supplier by the purchase of a subordinated note of the Energy Supplier described herein (the "*Subordinated Note*") and a capital contribution of $1 million. Morgan Stanley Capital Services LLC, a Delaware limited liability company ("*MSCS*") will provide the Credit Default Swap described herein to the Energy Supplier in an amount that, together with the purchase price paid by MSCG to the Energy Supplier for the Subordinated Note and the capital contribution, equals at least three percent of the outstanding (unamortized) amount of the prepayment under the Prepaid Energy Sales Agreement (approximately $26.5 million as of the Initial Issue Date).

The Energy Supplier, MSCG, CCCFA and The Bank of New York Mellon, as custodian (the "*Master Custodian*"), will enter into a Master Custodial Agreement (the "*Master Custodial Agreement*") to administer the amounts payable to the Energy Supplier under the Funding Agreement, the Energy Management Agreement, the Prepaid Energy Sales Agreement, the Energy Supplier Commodity Swap and certain other agreements. These amounts are required to be deposited into a separate account held by the Master Custodian and applied to the payment of the amounts due from the Energy Supplier under the Prepaid Energy Sales Agreement, the Energy Management Agreement and, if applicable, the Energy Supplier Commodity Swap.

*MSCG*. MSCG, pursuant to the Energy Management Agreement, will act as the upstream electricity supplier to the Energy Supplier in connection with the Clean Energy Project. MSCG is the sole member and the manager of the Energy Supplier. MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC. The short term and long term issuer ratings of MSCG are "A-1" and "A+" from S&P Global Ratings and "P-1" and "Aa3" from Moody's.

*MSCS*. MSCS engages primarily in OTC derivative transactions as a market maker and provides trading related services to a broad range of customers and clients, including affiliates. MSCS is conditionally registered with the SEC as a security-based swap dealer and is registered as an OTC derivative dealer. MSCS is also registered with the CFTC as a swap dealer and is a member with ICE Clear Europe Ltd, ICE Clear Credit, LLC and LCH Clearnet Group Ltd. MSCS is an indirect subsidiary of Morgan Stanley. The short term and long term issuer ratings of MSCS are "A-1" and "A+" from S&P Global Ratings and "P-1" and "Aa3" from Moody's.

See "THE ENERGY SUPPLIER, MSCG, MSCS AND MORGAN STANLEY" and "THE PREPAID ENERGY SALES AGREEMENT—*Security*".

*Certain Relationships*

The Energy Supplier, which is also the Receivables Purchaser, under the Prepaid Energy Sales Agreement the lender under the Funding Agreement, the electricity purchaser under the Energy Management Agreement and a party to the Energy Supplier Commodity Swap, is wholly owned by MSCG. MSCG is the sole member of the Energy Supplier and the electricity seller and Receivables Purchaser under the Energy Management Agreement, and is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. LLC (*"MS&Co."*), the Underwriter, is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley Capital Services, LLC ("*MSCS*"), which is the counterparty to the Credit Default Swap (defined below), is a wholly-owned subsidiary of Morgan Stanley. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by the Morgan Stanley Guarantee.

The relationships described above could create one or more conflicts of interest or the appearance of such conflicts.

This Official Statement includes information regarding and descriptions of CCCFA, the Clean Energy Project, the Energy Supplier, MSCG, MSCS, Morgan Stanley, the Commodity Swap Counterparty, the Funding Recipient, the Project Participant and the Bonds, and summaries of certain provisions of the Indenture, the Power Supply Contract, the Prepaid Energy Sales Agreement, the Commodity Swaps, the Funding Agreement, the Energy Management Agreement, the Receivables Purchase Provisions, the Re-Pricing Agreement, the Debt Service Account Investment Agreement and the Custodial Agreements referred to herein. Such descriptions and summaries do not purport to be complete or definitive, and such summaries are qualified by reference to such documents. Certain of these documents are available to prospective investors during the initial offering period of the Bonds and thereafter to Bondholders, in each case upon request to CCCFA. Descriptions of the Indenture, the Bonds, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swaps, the Funding Agreement, the Energy Management Agreement, the Debt Service Account Investment Agreement, the Custodial Agreements, the Receivables Purchase Provisions and the Re-Pricing Agreement, and are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

***This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds are converted to another Interest Rate Period.***

## THE CLEAN ENERGY PROJECT

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of approximately 30-year supply of EPS Compliant Energy (the "*Prepaid Energy*") under a Prepaid Energy Sales Agreement between CCCFA and Energy Prepay IX, LLC, a Delaware limited liability company (the *"Energy Supplier"*) and the sale thereof to the Project Participant as hereinafter described. The term "*EPS Compliant Energy*" means three-phase, 60-cycle alternating current electric energy ("*Energy*") that the Project Participant can contract for and purchase in compliance with California's Emissions Performance Standards (*"EPS"*), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant.

Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of Prepaid Energy to CCCFA each Contract Year (the *"Prepaid Quantities"*), make certain payments for any Prepaid Quantities not delivered, remarket Prepaid Quantities not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole. Any such Termination Payment will be applied to the mandatory redemption of the Bonds in whole, or payment upon final maturity of the Bonds. For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see "THE PREPAID ENERGY SALES AGREEMENT".

CCCFA has entered into a Power Supply Contract (the *"Power Supply Contract"*) for the sale of the Prepaid Energy with the Project Participant. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT". See APPENDIX A for certain information with respect to the Project Participant.

*Assignment of Power Purchase Agreements by the Project Participant*

California's EPS regulations, codified as Senate Bill 1368 (2006) ("*SB 1368*") prevents all California utilities, both privately and publicly owned, from signing long-term contracts from a specified source with a greenhouse gas emissions greater per unit of power than the emissions of greenhouse gases for combined-cycle natural gas baseload generation or from an unspecified source. For baseload generation procured under contracts, a long-term commitment is a contract of five years or longer, and the Project Participant has adopted long-term plans for the procurement of EPS Compliant Energy.

*Right to Assign Existing and Future Power Purchase Agreements*. The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to MSCG, a portion of the Project Participant's rights and obligations (the "*Assigned Rights and Obligations*") to receive certain quantities ("*Assigned Quantities*") of EPS Compliant Energy ("*Assigned Energy*"), together with associated renewable energy credits ("*RECs*"), capacity, or other related products (collectively, *"Assigned Products"*) under existing and future power purchase agreements ("*PPAs*"). With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier's obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. In connection with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant expects to enter into a limited assignment agreement (each, an "*Assignment Agreement*") relating to a specific PPA (the *"Initial Assignment Agreement"*) among the Project Participant, Initial PPA Supplier and MSCG, to assign the Assigned Rights and Obligations (the "*Initial Assigned Rights and Obligations*") to the Energy Supplier beginning January 1, 2026 and ending December 31, 2027.

In the event of any expiration, termination or anticipated termination of Assigned Rights and Obligations under the Assigned PPAs, the Project Participant is obligated to exercise Commercially Reasonable Efforts to assign Replacement Assigned Rights and Obligations to MSCG for delivery of EPS Compliant Energy to the Energy Supplier. The Project Participant has or expects to have additional power purchase agreements pursuant to which it purchases or expects to purchase EPS Compliant Energy and wherein its rights and obligations thereunder could be assigned to MSCG.

In the event of a termination of the Prepaid Energy Sales Agreement, the rights, title and interest under the Assigned PPAs will revert back to the Project Participant, who may continue to receive the EPS Compliant Energy delivered under such agreements at the price payable under the applicable Assigned PPA. In the event of a termination of an Assignment Agreement and the reversion of the related Assigned Rights and Obligations under an Assigned PPA to the Project Participant, no termination payment will be required to be made by CCCFA, the Energy Supplier or MSCG, provided that MSCG shall remain responsible for payment of any Assigned Product delivered prior to such termination.

*Structure of the Clean Energy Project*

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Custodial Agreements, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, the Funding Recipient, MSCG, the Investment

Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap. These arrangements include:

- The Energy Supplier is required to deliver Prepaid Energy under the Prepaid Energy Sales Agreement to CCCFA such that CCCFA can meet its obligations to the Project Participant under the Power Supply Contract. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under the Assigned PPAs, the Energy Supplier will be required to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the applicable index price. In the event the Energy Supplier fails to deliver Base Energy that is not otherwise required to be remarketed for any reason, including *force majeure* events, it is required to pay certain specified amounts to CCCFA.

- The Funding Recipient is required to make scheduled monthly payments under the Funding Agreement which will provide the Energy Supplier with amounts sufficient to make the payments it is required to make to MSCG under the Energy Management Agreement and to the Commodity Swap Counterparty under the Energy Supplier Commodity Swap.

- The Project Participant has agreed to pay the Contract Price each month for the Assigned Quantities actually delivered in such month pursuant to the Power Supply Contract. In the event the Project Participant fails to pay when due any amounts owed under its Power Supply Contract, CCCFA has covenanted in the Indenture to exercise its right under the Power Supply Contract to suspend further deliveries of Prepaid Energy to the Project Participant and to give notice to the Energy Supplier to remarket such Prepaid Energy.

- In the event the Project Participant fails to pay when due any amounts owed under the Power Supply Contract, the Trustee is obligated to sell and the Energy Supplier is obligated to purchase Put Receivables in the amount of the Project Participant's non-payment. Under the Energy Management Agreement, MSCG has agreed to purchase all Put Receivables purchased by the Energy Supplier.

- In the event of a suspension of Prepaid Energy deliveries to the Project Participant, the Energy Supplier will remarket Base Energy pursuant to the Prepaid Energy Sales Agreement. The Prepaid Energy Sales Agreement requires specified payments for all Base Energy remarketed or purchased, less certain applicable fees.

- If the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian under the terms of the Energy Supplier Custodial Agreement will pay the amount that the Energy Supplier paid under the Energy Supplier Commodity Swap (or in the event of termination of the Energy Supplier Commodity Swap, the amount that the Energy Supplier paid into the custodial account as if such Energy Supplier Commodity Swap were still in effect), which amount is held in custody, to the Trustee for deposit in the Revenue Fund pursuant to the Indenture, and such payment will be treated as a Commodity Swap Receipt.

- If an Energy Delivery Termination Date occurs under the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay scheduled monthly amounts to CCCFA in lieu of Energy deliveries, which amounts are sufficient to enable CCCFA to make the Scheduled Debt Service Deposits required by the Indenture.

- If the Prepaid Energy Sales Agreement is terminated early, such termination will happen in conjunction with either the acceleration or final maturity of the Funding Agreement, at which time the Funding Recipient will be required to pay the Energy Supplier the final amount payable under the Funding Agreement, or the purchase by MSCG of the Funding Agreement from the Energy Supplier, which in any case will enable the Energy Supplier to pay the scheduled Termination Payment to CCCFA, as further described below.

- The Toronto-Dominion Bank, acting through its New York Branch, as provider of the Debt Service Account Investment Agreement (the *"Investment Agreement Provider"*) is required to make timely payment of scheduled amounts due under the Debt Service Account Investment Agreement which, together with other Revenues, provide sufficient monies to CCCFA to pay debt service.

The Prepaid Energy Sales Agreement provides certain energy delivery termination events (each, an "*Energy Delivery Termination Event*") and certain acceleration events (each, an "*Acceleration Event*"). Upon the occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement, the obligation of the Energy Supplier and CCCFA to deliver and take Energy shall terminate, and if the Prepaid Energy Sales Agreement terminates as a result of an Acceleration Event, the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. In the event the Prepaid Energy Sales Agreement is terminated, the Bonds are to be redeemed at their Amortized Value plus accrued interest to the redemption date, or paid in full at the Final Maturity Date, regardless of reinvestment rates at the time. See "THE BONDS—*Redemption—Extraordinary Mandatory Redemption.*"

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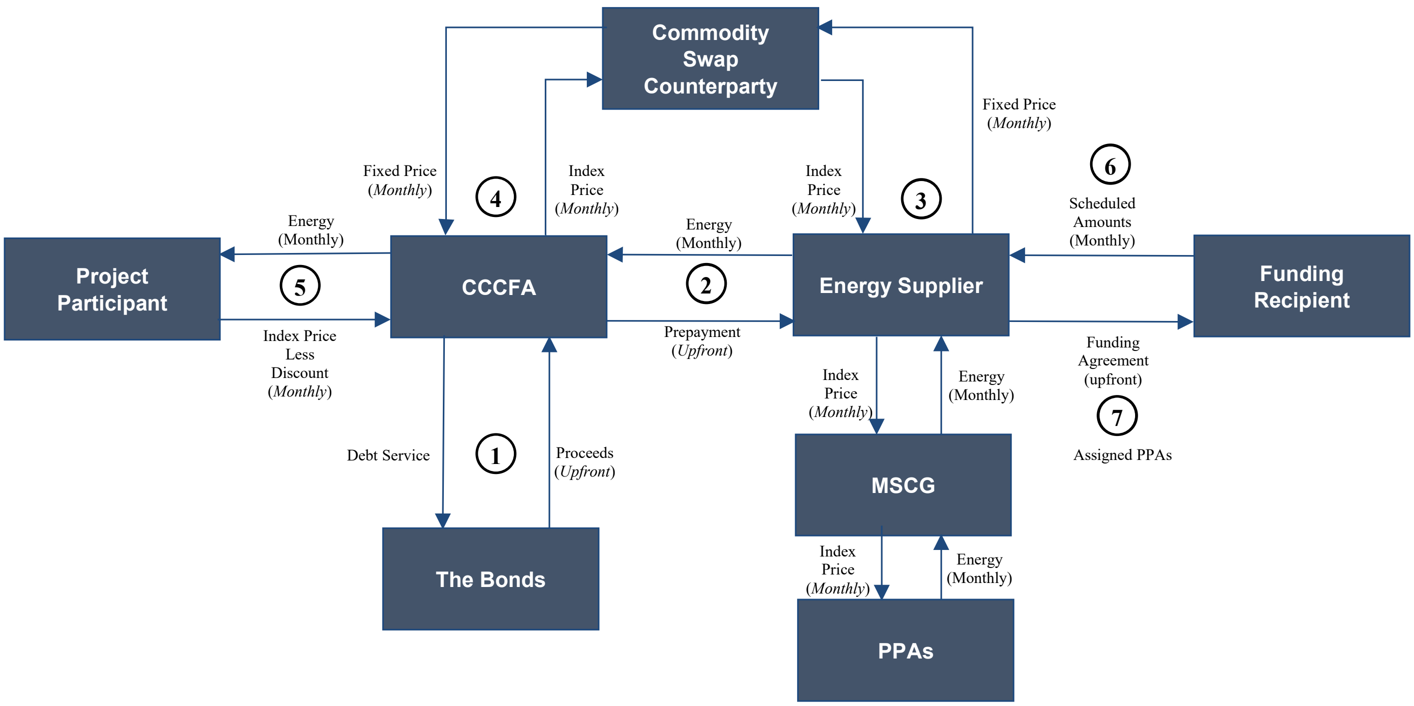
# CLEAN ENERGY PROJECT TRANSACTION STRUCTURE




## Transaction Overview

1. **Bond Issuance:** CCCFA issues the Bonds to fund the prepayment for Energy, pay capitalized interest, and pay costs of issuance. The Bonds will bear interest at fixed interest rates during the Initial Interest Rate Period.

2. **Prepayment:** CCCFA will apply bond proceeds to prepay Energy Supplier for approximately 30 years of Energy deliveries. Under the Prepaid Energy Sales Agreement, Energy Supplier will be obligated to (a) deliver specified annual quantities of Energy each Contract Year, to be delivered on a monthly basis, to CCCFA for approximately 30 years; (b) make payments for (i) projected monthly quantities of Assigned Energy that are not delivered and (ii) hourly quantities of Base Energy that are remarketed based on the applicable index price; and (c) make a termination payment upon any early termination of the Prepaid Energy Sales Agreement, including upon a Failed Remarketing, as described herein.

3. **Energy Supplier Commodity Swap:** Energy Supplier enters into the Energy Supplier Commodity Swap with the Commodity Swap Counterparty to facilitate Energy Supplier's ability to purchase at index prices the specified Energy quantities required to be delivered each month throughout the term of the Prepaid Energy Sales Agreement. Payments from Energy Supplier to the Commodity Swap Counterparty under the Energy Supplier Commodity Swap will be held in trust in a third-party custodial account under the Energy Supplier Custodial Agreement and released only upon the Commodity Swap Counterparty's payment to CCCFA under the CCCFA Commodity Swap. In the event of non-payment by the Commodity Swap Counterparty, the Energy Supplier payment to the custodial account will be transferred to the Revenue Fund under the Indenture and treated as a Commodity Swap Receipt.

4. **CCCFA Commodity Swap:** CCCFA enters into the CCCFA Commodity Swap with the Commodity Swap Counterparty to facilitate its ability to sell specified Energy quantities required to be delivered to the Project Participant at index prices, creating the economic effect of fixing the discount below the index (market) price at which Energy is sold to the Project Participant. The CCCFA Commodity Swap enables CCCFA to sell prepaid quantities to the Project Participant at index prices while ensuring that the net revenues from Project Participant payments and the CCCFA Commodity Swap always equal or exceed debt service regardless of the index price of Energy at the time. Quantities, term, and delivery points for CCCFA Commodity Swap mirror those of the Energy Supplier Commodity Swap.

5. **Project Participant:** Under the Power Supply Contract, CCCFA will sell to the Project Participant all of the Energy delivered by the Energy Supplier on a pay-as-you-go basis at an index price less specified discounts determined to ensure that the month's net Energy sale revenues (net of swap payments and receipts) will enable CCCFA to make scheduled deposits to the Debt Service Account.

6. **Funding Agreement:** The Energy Supplier and Canadian Imperial Bank of Commerce, acting through its New York Branch (the *"Funding Recipient"*) will enter into an Investment Agreement (the *"Funding Agreement"*) pursuant to which the Energy Supplier will deliver a specified amount to the Funding Recipient and the Funding Recipient will be obligated to pay to the Energy Supplier Scheduled Withdrawal Amounts and certain other amounts upon any early termination of the Funding Agreement. The Scheduled Withdrawal Amounts payable under the Funding Agreement provide amounts sufficient to enable the Energy Supplier to meet its monthly electricity purchase obligations under the Energy Management Agreement and the payments, if any, due under the Energy Supplier Commodity Swap. The Funding Agreement provides a fixed interest rate for a period equal to the Initial Interest Rate Period on the Bonds and will mature at the end of such period.

7. **Assigned PPAs:** The Project Participant is expected to assign its rights to receive EPS Compliant Energy under existing and future PPAs to the Energy Supplier (or, if MSCG is not the seller under the applicable PPA, to MSCG for delivery of the Assigned Product to the Energy Supplier) in order for the Energy Supplier to meet its obligation to deliver EPS Compliant Energy to CCCFA under the Prepaid Energy Sales Agreement.

The cumulative effect of the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Power Supply Contract and related documents enables CCCFA to receive dependable Energy supplies at a discount below market prices for sale to the Project Participant. The resulting monthly net revenues, regardless of changes in Energy prices, are expected to be adequate to pay Debt Service requirements on the Bonds and program expenses when due.

## DESIGNATION OF BONDS AS GREEN BONDS

*Green Bonds Designation*

Per the International Capital Market Association ("ICMA"), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel has determined that the Bonds are in conformance with the four core components of the ICMA Green Bond Principles, as described in Kestrel's "Second Party Opinion", which is attached hereto as APPENDIX F.

*Independent Second Party Opinion on Green Bond Designation and Disclaimer*

For over 23 years, Kestrel has been consulting in sustainable finance. Kestrel, a division of Kestrel 360, Inc. is an Approved Verifier accredited by the Climate Bonds Initiative and the market leader for Second Party Opinions in US public finance. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria. Municipal bonds are benchmarked with Kestrel Sustainability Intelligence™.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds. Designations by Kestrel are not a recommendation to any person to purchase, hold, or sell the Bonds and such labeling does not address the market price or suitability of these bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by CCCFA, the Project Participant, or that was otherwise made available to Kestrel.

## INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves certain investment considerations discussed throughout this Official Statement. Prospective purchasers of the Bonds should make a decision to purchase the Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained herein. Certain of those investment considerations are summarized below. This summary does not purport to be complete, and the order in which the following investment considerations are presented is not intended to reflect their relative significance.

*Special and Limited Obligations*

The Bonds are special, limited obligations of CCCFA and are payable solely from and secured solely by the Trust Estate pledged pursuant to the Indenture. The Trust Estate includes only the proceeds, revenues, funds and rights related to the Clean Energy Project, as described under "SECURITY FOR THE

BONDS — The Indenture" below and does not include any other revenues or assets of CCCFA. The Bonds are not general obligations of CCCFA, and CCCFA has no taxing power.

Only CCCFA is obligated to pay the Bonds. The Project Participant is not obligated to make payments in respect of the debt service on the Bonds. The Project Participant is obligated only to purchase and pay for Prepaid Energy tendered for delivery by CCCFA at the applicable Contract Price set forth in the Power Supply Contract. None of the Energy Supplier, MSCG, nor the Funding Recipient is obligated to make debt service payments on the Bonds, and none of them has guaranteed payment of the Bonds.

*The amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay the debt service when due on the Bonds, including the purchase price and/or Redemption Price of the Bonds, or amounts due in connection with the Final Maturity Date, assuming that the Energy Supplier, the Funding Recipient, and the Investment Agreement Provider pay and perform their respective contract obligations when due. Any failure of CCCFA to pay the Purchase Price of the Bonds on or before the Final Maturity Date will result in a Failed Remarketing and an Early Termination Payment Date prior to the Final Maturity Date of the Bonds.*

*Structure of the Clean Energy Project*

The Prepaid Energy Sales Agreement, the Energy Management Agreement, the Power Supply Contract, the Funding Agreement, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, MSCG, the Funding Recipient, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap. See "THE CLEAN ENERGY PROJECT – *Structure of the Clean Energy Project*".

The Prepaid Energy Sales Agreement provides certain Energy Delivery Termination Events and certain Acceleration Events. Upon the occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement, the obligation of the Energy Supplier and CCCFA to deliver and take Energy shall terminate, and if the Prepaid Energy Sales Agreement is terminated as a result of an Acceleration Event, the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. In the event the Prepaid Energy Sales Agreement is terminated, the Bonds are to be redeemed at their Amortized Value plus accrued interest to the redemption date, regardless of reinvestment rates at the time, or paid in full at the Final Maturity Date. See "THE BONDS—*Redemption—Extraordinary Mandatory Redemption*" and "THE PREPAID ENERGY SALES AGREEMENT—*Termination" and "–Termination Payment.*"

*Performance by Others*

During the Initial Interest Rate Period, the ability of CCCFA to pay timely the scheduled debt service on the Bonds depends on the timely performance and payment by (a) the Energy Supplier under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Energy Supplier Commodity Swap, and (b) the Investment Agreement Provider under the Debt Service Account Investment Agreement. The failure by any one or more of such parties to meet such obligations could materially and adversely affect the ability of CCCFA to pay timely the scheduled debt service on the Bonds, and to meet its other obligations under the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract and, if applicable, the CCCFA Commodity Swap.

The ability of the Energy Supplier to meet its payment obligations under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap will depend directly and materially on timely payment by the Funding Recipient of the amounts due on the Funding Agreement. A failure by the Funding Recipient to pay any amounts when due under the Funding Agreement will result in an insufficiency of funds being available to the Energy Supplier for the performance of its obligations under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap. Nonperformance by the Energy Supplier under these agreements should, in turn, be expected to result in nonperformance by CCCFA of its obligations under the Power Supply Contract and an insufficiency in the revenues necessary for the payment of debt service on the Bonds. The obligations of CCCFA with respect to the Bonds are limited to the revenues and funds available in the Trust Estate as described above, and none of the Energy Supplier, the Funding Recipient, MSCG, MSCS, or Morgan Stanley is obligated to cure any default in the payment of the Bonds, and none of them has guaranteed payment of the Bonds.

A default on the payment of Debt Service could also result from failure by the Investment Agreement Provider to make timely payments of amounts due and payable under the Debt Service Account Investment Agreement.

Certain events and conditions outside of the control of CCCFA could also result in an Acceleration Event under the Prepaid Energy Sales Agreement, which will cause the extraordinary mandatory redemption of the Bonds, including an event of default by the Funding Recipient under the Funding Agreement that results in the acceleration of the Funding Agreement. For a complete list of Acceleration Events, see "THE PREPAID ENERGY SALES AGREEMENT – Termination."

Upon the early termination of the Prepaid Energy Sales Agreement as a result of an Acceleration Event, the Energy Supplier will be obligated to pay the scheduled Termination Payment on the Early Termination Payment Date. The scheduled amount of the Termination Payment, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide CCCFA with an amount at least sufficient to redeem all of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their contract obligations when due.

In the case of a Failed Remarketing and a mandatory redemption of the Bonds in connection with the Final Maturity Date, the amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay principal and interest on the Bonds due in connection with the Final Maturity Date, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their respective contract obligations when due. Any failure of CCCFA to redeem the Bonds or to pay the Purchase Price of the Bonds on or before the Final Maturity Date will result in a Failed Remarketing and an Early Termination Payment Date prior to the Final Maturity Date of the Bonds.

*Energy Remarketing*

In the event the Project Participant is in default under the Power Supply Contract or does not require or is unable to receive all or any portion of its applicable Contract Quantity under the Power Supply Contract for certain reasons described below under "The Power Supply Contract – Remarketing of Energy" or if the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to use Commercially Reasonable Efforts to deliver Base Energy or Assigned Energy, as applicable, for remarketing under the terms of the Prepaid Energy Sales Agreement.

The Energy Supplier must remarket any Base Energy required to be delivered under the Prepaid Energy Sales Agreement. In the event the Energy Supplier is unable to remarket such Base Energy, it has agreed to purchase such Base Energy for its own account. The Energy Supplier is required to (a) enter all remarketing sales or purchases of Base Energy on a ledger system that tracks compliance with the requirements of the U.S. Treasury Regulations applicable to tax-exempt bonds that finance Prepaid Energy supplies, and (b) remediate any non-complying sales (i.e., non-qualifying use sales and private business use sales) through "qualifying use" sales within two years. See "INTRODUCTION – *Energy Remarketing*", "THE PREPAID ENERGY SALES AGREEMENT – *Provisional Payments and Energy Remarketing*", and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

***Base Energy is not expected to be delivered during the Initial Reset Period*.**

The Energy Supplier has agreed to use Commercially Reasonable Efforts to remarket electricity to Municipal Utilities pursuant to provisions that are intended to maintain the tax exempt status of interest on the Bonds, but, if the Energy Supplier cannot do so, the Energy Supplier is also permitted to remarket electricity to other governmental entities in non-private business use sales, although it is not required to remarket electricity to any such other governmental entity for a price (net of transportation and other costs) that is anticipated to be less than the applicable index price. If the Energy Supplier is unable to remarket all or any portion of the electricity designated for remarketing in qualifying sales to Municipal Utilities or to other governmental entities in non-private business use sales, it must purchase such electricity. Under certain circumstances and upon reaching certain thresholds that are not timely remediated, the remarketing of electricity to entities other than Municipal Utilities could result in a Ledger Event under the Prepaid Energy Sales Agreement.

The Energy Supplier will depend upon performance by MSCG under the Energy Management Agreement to meet its electricity remarketing obligations under the Prepaid Energy Sales Agreement, including particularly the ability of MSCG to remarket electricity to Municipal Utilities (as defined in the Prepaid Energy Sales Agreement) and to remediate any non-complying sales in order to avoid the occurrence of a Ledger Event under the Prepaid Energy Sales Agreement. In the event that any non-complying remarketing sales of electricity are not remediated within two years and exceed certain cumulative limits, a Ledger Event will occur, subject to certain provisions of the Prepaid Energy Sales Agreement.

The occurrence of a Ledger Event will result in an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement and a Ledger Termination Event under the Funding Agreement, and the Energy Supplier will be required to withdraw the Final Payment Amount under the Funding Agreement, which will result in an Acceleration Event and extraordinary mandatory redemption of the Bonds. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*," "—*Ledger Event*," and "—*Termination*," and "THE FUNDING AGREEMENT—*Investment Termination Events*."

*Limitations on Exercise of Remedies*

The remedies available to CCCFA under the Prepaid Energy Sales Agreement are limited to those described herein. The remedies available to the Trustee, CCCFA and the Holders of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory provisions and judicial decisions, the remedies provided in the Indenture may not be readily available or may be limited. CCCFA has no rights to enforce the provisions of the Funding Agreement or the Energy Management Agreement. Neither the Trustee nor the Bondholders have any rights to enforce the Funding Agreement or the Energy Management Agreement. None of CCCFA, the Trustee nor the Bondholders have any right to enforce the Morgan Stanley Guarantee.

*Canadian Resolution Powers*

In April 2018, the Government of Canada published the final regulations on Canada's bank recapitalization regime (the "*Bail-in Regime*") under the Bank Act (Canada) (the "*Bank Act*") and the Canada Deposit Insurance Corporation Act (Canada) (the "*CDIC Act*") which became effective on September 23, 2018 for domestic systemically important banks ("*D-SIBS*"), which includes the Funding Recipient. The expressed objectives of the Bail-in Regime include reducing government and taxpayer exposure in the unlikely event of a failure of a D-SIB, reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIB's risks and not taxpayers, and preserving financial stability by empowering the Canada Deposit Insurance Corporation (the "*CDIC*"), Canada's resolution authority, to quickly restore a failed D-SIB to viability and allow it to remain open and operating, even where the D-SIB has experienced severe losses.

Under the regime, if the Superintendent of Financial Institutions ("*Superintendent*") is of the opinion that a D-SIB has ceased or is about to cease to be viable and its viability cannot be restored through the exercise of the Superintendent's powers, the Government of Canada can direct the CDIC to convert certain shares and liabilities of the bank into common shares of the bank or its affiliates. The legislation also provides that the Superintendent will require such designated D-SIBs to maintain a minimum capacity to absorb losses, also known as total loss-absorbing capital. ***The Bail-in Regime will not apply to the Funding Agreement.***

*Enforceability of Contracts*

The enforceability of the various legal agreements relating to the Clean Energy Project may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally, by the exercise of judicial discretion in accordance with general principles of equity and by principles of equity, public policy and commercial reasonableness. The Prepaid Energy Sales Agreement and other agreements relating to the Clean Energy Project are executory contracts. If CCCFA, the Energy Supplier, MSCG, Morgan Stanley, the Funding Recipient, the Commodity Swap Counterparty, the Project Participant or any of the parties with which CCCFA has contracted under such agreements (including the Prepaid Energy Sales Agreement) is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In particular, an insolvency event with respect to the Funding Recipient that results in a delay or a reduction in the payments due under the Funding Agreement will result in insufficient amounts being available for the payment of the Bonds, whether on a Bond Payment Date, the Final Maturity Date or any extraordinary redemption date. In the event that CCCFA is involved in an insolvency proceeding, the exercise of the remedies afforded to the Trustee under the Indenture may be stayed, and the availability of the Revenues necessary for the payment of the Bonds could be materially and adversely affected.

*No Established Trading Market*

The Bonds constitute a new issue with no established trading market. The Bonds have not been registered under the Securities Act of 1933 in reliance upon exemptions contained therein. Although the Underwriter has informed CCCFA that it currently intends to make a market in the Bonds, they are not obligated to do so and may discontinue any such market making at any time without notice. There can be no assurance as to the development or liquidity of any market for the Bonds. If an active public market does not develop, the market price and liquidity of the Bonds may be adversely affected.

*Loss of Tax Exemption on the Bonds*

As described below, the opinion of Bond Counsel with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the *"IRS"*) or the courts and is not a guarantee of a result.

The Indenture, CCCFA's Tax Agreement with respect to the Bonds, the Prepaid Energy Sales Agreement and the Power Supply Contract contain various covenants and agreements on the part of CCCFA, the Energy Supplier and the Project Participant that are intended to establish and maintain the tax-exempt status of the Bonds. CCCFA, the Energy Supplier and the Project Participant have each agreed to abide by the various covenants and agreements designed to protect the tax-exempt status of the Bonds. A failure by CCCFA, the Energy Supplier and the Project Participant to comply with such covenants and agreements could, directly or indirectly, adversely affect the tax-exempt status of the Bonds.

In particular, if the Project Participant requests, or is deemed to have requested, a remarketing of Energy under the Power Supply Contract, and in the event that any non-complying Energy remarketing sales are not remediated within two years and exceed certain cumulative limits, a Ledger Event will occur, subject to certain provisions of the Prepaid Energy Sales Agreement. Upon the occurrence of a Ledger Event, an Energy Delivery Termination Event will occur under the Prepaid Energy Sales Agreement and a Ledger Termination Event will occur under the Funding Agreement, and the Energy Supplier will be required to withdraw the Final Payment Amount under the Funding Agreement, which will result in an Acceleration Event and extraordinary mandatory redemption of the Bonds. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*," "—*Ledger Event*," and "—*Termination*," and "THE FUNDING AGREEMENT—*Investment Termination Events*."

Furthermore, the Prepaid Energy Sales Agreement provides for circumstances where Energy deliveries under the Prepaid Energy Sales Agreement would cease and the Energy Supplier would make scheduled monthly payments to CCCFA in order to pay debt service on the Bonds. The use of these scheduled payments (in lieu of payments made by the Project Participant under the Power Supply Contract) to make debt service payments could, under certain circumstances, adversely affect the continued tax-exempt status of interest on the Bonds.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat CCCFA as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Any loss of the tax-exempt status of the Bonds could be retroactive to the date of issuance of the Bonds and could cause all of the interest on the Bonds to be includable in gross income for purposes of federal income taxation. *The loss of the tax-exempt status of the Bonds is not an Acceleration Event under the Prepaid Energy Sales Agreement and will not result in a mandatory redemption of the Bonds.* See "THE PREPAID ENERGY SALES AGREEMENT" and "TAX MATTERS".

## SECURITY FOR THE BONDS

*The Indenture*

The Bonds are secured under the Indenture solely by a pledge of the "*Trust Estate*," which is defined in the Indenture to mean (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment, (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier (or the Master Custodian on its behalf) pursuant thereto, and (f) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (g) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The pledge of the Trust Estate in favor of the Trustee is subject to (x) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, and (y) conveyance, assignment and pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty.

The term "*Revenues*" is defined in the Indenture to mean (a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project (excluding any payments received by CCCFA in respect of any Monthly Excess Quantities or Assigned Paygo Quantities), (b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund; (c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA; (d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and (e) any Advance received by the Trustee on behalf of CCCFA; *provided that*, the term "Revenues" does not include: (i) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (ii) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (iii) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (iv) any Assignment Payment received from the Energy Supplier; and (v) amounts paid by the Project Participant in respect of the Project Administration Fee. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the prior payment from the Revenues of the Operating Expenses of the Clean Energy Project. See "Flow of Funds" below.

The term "*Operating Expenses*" is defined in the Indenture to mean, to the extent properly allocable to the Clean Energy Project: (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain the CCCFA Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the proviso "second" under the heading "Flow of Funds" below, Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

THE BONDS ARE A LIMITED OBLIGATION OF CCCFA AND THE PRINCIPAL AND REDEMPTION PRICE OF, AND INTEREST ON, THE BONDS ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE CCCFA, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. CCCFA SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF OR INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. CCCFA HAS NO TAXING POWER.

See APPENDIX B for definitions of certain terms and see APPENDIX C for a further description of certain provisions of the Indenture.

*Flow of Funds*

All Revenues are required by the Indenture to be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; provided that, for the avoidance of doubt, if any amounts are received from the Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from CCCFA to the Trustee, the Trustee will promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement and any remaining amounts received from the Project Participant will be deposited into the Revenue Fund. In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee is required to apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

*first*, to the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

*second*, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein;

*third,* to the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

*fourth*, to the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

*provided*, the amount required to be transferred to the Debt Service Account described above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

If, after a scheduled monthly deposit to the Debt Service Account or the Commodity Swap Payment Fund, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified in the Indenture or the Commodity Swap Payments due for such month, respectively, the Trustee shall immediately notify CCCFA of such deficiency and the Trustee shall (a) if CCCFA has not previously done so, cause CCCFA to suspend all deliveries of all quantities of Energy under the Power Supply Contract if the Project Participant is in default thereunder, and (b) promptly give notice to the Energy Supplier to follow the electricity remarketing provisions set forth in the Prepaid Energy Sales Agreement.

On each November 1, beginning November 1, 2026, after (a) the deposit of Revenues into the Revenue Fund, and (b) making such transfers, credits and deposits as described in the first paragraph of this section "Flow of Funds," the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers will be required to be made to the Debt Service Fund. See "*Revenues and Revenue Fund*" and "*Payments into Certain Funds*" in APPENDIX C.

As noted above, certain amounts are pledged as a part of the Trust Estate but do not constitute Revenues and are not deposited into the Revenue Fund, including any Termination Payment or the right to receive such Termination Payment under the Prepaid Energy Sales Agreement, which is to be deposited directly into the Redemption Account.

The Indenture also provides that the following amounts, which are payable to the Trustee but do not constitute Revenues, will be applied as follows: (a) any Assignment Payment will be deposited directly into the Assignment Payment Fund; (b) amounts representing the Project Administration Fee, together with amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement, will be deposited directly into the Administrative Fee Fund; and (c) certain proceeds from electricity remarketing sales will be deposited directly into the Energy Remarketing Reserve Fund.

*Debt Service Fund - Debt Service Account*

The amounts deposited into the Debt Service Account, including any amounts deposited therein representing capitalized interest on the Bonds, must be held in such Account and applied to the payment of Debt Service payable on each Bond Payment Date.

Amounts on deposit in the Debt Service Account, including any amounts deposited therein representing capitalized interest on the Bonds, will be initially invested pursuant to the Debt Service Account Investment Agreement, which will provide for scheduled withdrawals to pay debt service on the Bonds when due and, in the case of extraordinary redemption, all funds invested thereunder will be used to pay a portion of the Redemption Price without penalty or market value adjustments. See "Investment of Funds – Debt Service Account Investment Agreement" herein. Capitalized interest on the Bonds will be funded with a deposit of Bond proceeds on the Initial Issue Date of the Bonds. The amount so deposited will be used to pay a portion of the interest coming due on the Bonds through November 1, 2026.

*Administrative Fee Fund*

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee is required to apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of CCCFA directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of CCCFA, the Trustee shall promptly notify the Project Participant, at its address shown in the Indenture, of the fact and amount of such deficiency.

*Commodity Swap Payment Fund*

The amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee solely to the payment of Commodity Swap Payments when due.

Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application as described above.

*Debt Service Fund - Redemption Account*

In the event of an early termination of the Prepaid Energy Sales Agreement, CCCFA will direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of CCCFA. The Trustee will deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the extraordinary mandatory redemption of Outstanding Bonds as described below under "THE BONDS — Redemption — *Extraordinary Mandatory Redemption*."

*Restriction on Additional Obligations*

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, CCCFA will not, without a Rating Confirmation, issue any debt payable from or secured by a pledge and assignment of the Trust Estate other than debt issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the CCCFA Commodity Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the CCCFA Commodity Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments). However, such limitation will not prevent CCCFA from entering into any Commodity Swap upon the terms set forth in the Indenture, or incurring any debt payable out of moneys in the Project fund as part of the Cost of Acquisition or secured by the Trust Estate following the defeasance of the Bonds.

Other than the Bonds and any refunding bonds, no additional bonds or other obligations are authorized to be issued under the Indenture or, except as described above, for which payment is otherwise secured by a pledge or assignment of, or lien on, the Trust Estate. See "Creation of Liens" in APPENDIX C.

*Amendment of Indenture*

CCCFA and the Trustee may, subject to the conditions and restrictions in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which will thereafter form a part of the Indenture, without the consent of the Bondholders (i) for certain purposes, or (ii) upon receipt of a Rating Confirmation if the Bonds affected by such change are rated by a Rating Agency. See "*Supplemental Indenture Not Requiring Consent of Bondholders*," "*General Provisions*" and "*Powers of Amendment*" in APPENDIX C hereto.

*Investment of Funds*

*General.* Subject to the provisions of the Indenture, amounts on deposit in the Funds and Accounts may be invested in, among other things, guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period if and to the extent that the obligated party thereunder is rated (or receives credit support from an entity rated) at least a rating which will not impair, or cause the Bonds to fail to retain, the rating then assigned by each Rating Agency rating the Bonds. See APPENDIX B—Definitions of Certain Terms and "Investment of Certain Funds" in APPENDIX C.

*Debt Service Account Investment Agreement.* On the Initial Issue Date of the Bonds, it is expected that CCCFA or the Trustee will enter into an investment agreement with the Investment Agreement Provider with respect to the Debt Service Account (the *"Debt Service Account Investment Agreement"*). The Debt Service Account Investment Agreement constitutes a "Debt Service Fund Agreement" as defined in the Indenture. The Debt Service Account Investment Agreement will become effective on the first day, and will be scheduled to terminate on the last day, of the Initial Interest Rate Period. The Debt Service Account Investment Agreement is required to meet all of the criteria of a Qualified Investment under the Indenture. See "SECURITY FOR THE BONDS—*Investment of Funds*".

Required qualifications for the initial Investment Agreement Provider include: (a) a minimum credit rating requirement for the Investment Agreement Provider (or its guarantor) of at least the Minimum Rating or a rating which will not impair, or cause the Bonds to fail to retain, the rating then assigned by each Rating Agency rating the Bonds, (b) a requirement that if the rating assigned to the senior unsecured long-term debt obligations of the Investment Agreement Provider (or its guarantor) falls below "Baa1" by Moody's, the Investment Agreement Provider, if requested by the Trustee, at the direction of CCCFA, to do so, will provide a credit remedy, such as providing credit support or posting eligible collateral, or the Trustee, at the direction of CCCFA, will have the right to terminate the Debt Service Account Investment Agreement, and (c) a requirement that if the rating assigned to the senior unsecured long-term debt obligations of the Investment Agreement Provider (or its guarantor) falls below "Baa3" by Moody's, the Investment Agreement Provider, if requested by the Trustee, at the direction of CCCFA, to do so, will provide a credit remedy, such as providing credit support, or the Trustee, at the direction of CCCFA, will have the right to terminate the Debt Service Account Investment Agreement; provided, however, that the Investment Agreement Provider shall not be permitted to provide collateral support as a credit remedy following a rating downgrade below "Baa3" by Moody's.

The Debt Service Account Investment Agreement will provide for a fixed interest rate to be paid on the funds invested. Payments are scheduled to return amounts to the Trustee in connection with the Bond Payment Dates.

Upon transaction termination, whether by extraordinary mandatory redemption or the Final Maturity Date, the funds invested under the Debt Service Account Investment Agreement will be used to pay the redemption price or debt service due on the Bonds. If the Debt Service Account Investment Agreement terminates, all invested funds are required to be returned to the Trustee.

*Enforcement of Project Agreements*

*Power Supply Contract*. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

CCCFA has also covenanted to exercise promptly its right to suspend all Energy deliveries under the Power Supply Contract if the Project Participant thereunder fails to pay when due any amounts owed to CCCFA thereunder and to promptly give notice to the Energy Supplier to follow provisions set forth in the remarketing provisions of the Prepaid Energy Sales Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

In the event that the Project Participant delivers a Remarketing Termination Notice (as defined in the Power Supply Contract) in respect of any Reset Period, CCCFA will promptly give notice to the Energy Supplier to follow the provisions set forth in the remarketing exhibit to the Prepaid Energy Sales Agreement for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to the Project Participant. See "THE RE-PRICING AGREEMENT".

CCCFA has further covenanted in the Indenture that it will not consent or agree to or permit any termination or rescission of, any assignment or novation (in whole or in part) by the Project Participant of, or any amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of CCCFA to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay the amount estimated by CCCFA to be required to be paid during such Fiscal Year into the Operating Fund; the amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which CCCFA anticipates will be transferred from other Funds or Accounts; the amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and all other charges or liens whatsoever payable out of Revenues during such Fiscal Year. Under the Indenture, upon the satisfaction of certain conditions, including delivery of a Rating Confirmation with respect to such amendment or assignment, as applicable, from each rating agency then rating the Bonds, CCCFA may agree to the amendment of a Power Supply Contract or to the assignment of a Power Supply Contract by the Project Participant to another Municipal Utility.

*Enforcement of Agreements by the Trustee*. Under the Indenture, CCCFA has irrevocably pledged and collaterally assigned to the Trustee its rights to issue notices and to take any other actions that CCCFA is required or permitted to take in order to enforce performance under certain documents, including (a) the Prepaid Energy Sales Agreement, (b) the Receivables Purchase Provisions, (c) the Power Supply Contract, and (d) the CCCFA Commodity Swap. CCCFA has retained, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights for which it has pledged and collaterally assigned to the Trustee as described in the preceding sentence; *provided, however*, if an Event of Default has occurred and is continuing, the Trustee will have the right to notify CCCFA to cease exercising such rights, subject to certain rights of the Energy Supplier with respect to the Power Supply Contract.

*Prepaid Energy Sales Agreement*. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Prepaid Energy Sales Agreement and that it will duly perform its covenants and agreements thereunder.

The Trustee will promptly notify CCCFA of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. CCCFA will provide the Trustee with Written Notice of the Early Termination Payment Date (a) on the date on which a Failed Remarketing occurs, and (b) in all other cases, not more than five Business Days after such date is determined.

CCCFA has further covenanted that it will not consent or agree to or permit any rescission of, assignment of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement which would in any manner materially impair or materially adversely affect its rights thereunder or the rights or security of the Bondholders under the Indenture; *provided*, that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Prepaid Energy Sales Agreement may also be amended in connection with a remediation to reduce the schedule of Prepaid Quantities upon the occurrence of a Ledger Event.

*CCCFA Commodity Swap*. CCCFA has covenanted to cause amounts due to CCCFA under the CCCFA Commodity Swap to be collected and paid directly to the Trustee. Pursuant to the Indenture, the Commodity Swap Receipts are to be deposited by the Trustee into the Revenue Fund. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the CCCFA Commodity Swap and duly perform its covenants and agreements thereunder,
- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the CCCFA Commodity Swap that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and
- it will not exercise any right to terminate the CCCFA Commodity Swap unless either (i) it has entered into a replacement CCCFA Commodity Swap that meets the requirements of the Indenture (described below), and such replacement CCCFA Commodity Swap will be effective as of such early termination date and cover energy price exposure from and after such early termination date, or (ii) CCCFA causes or permits the termination of the Prepaid Energy Sales Agreement prior to or as of such early termination date.

CCCFA may replace the CCCFA Commodity Swap (and any related guaranty of the Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation. If the CCCFA Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may terminate the CCCFA Commodity Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement CCCFA Commodity Swap with an alternate Commodity Swap Counterparty without a Rating Confirmation, but only if the replacement CCCFA Commodity Swap is identical in all material respects to the existing CCCFA Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the replacement CCCFA Commodity Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) the rating then assigned by each Rating Agency to the Bonds or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as CCCFA determines to be necessary, and (3) in either case, the

Commodity Swap Counterparty enters into a replacement Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Custodial Agreement among the Energy Supplier, the Custodian and the Commodity Swap Counterparty.

If the CCCFA Commodity Swap becomes terminable by CCCFA as a result of a failure by the Commodity Swap Counterparty to make a payment due under the CCCFA Commodity Swap, CCCFA will (A) notify the Energy Supplier of such event pursuant to the Prepaid Energy Sales Agreement, and (B) in accordance with the Prepaid Energy Sales Agreement, use its good faith efforts to replace the CCCFA Commodity Swap with an alternate CCCFA Commodity Swap, subject to the conditions of the first sentence of the paragraph immediately above, during the 120 day replacement period contemplated by the Prepaid Energy Sales Agreement (the "*Swap Replacement Period*").

If CCCFA is unable to enter into an alternate CCCFA Commodity Swap pursuant to clause (B) in the paragraph immediately above during the Swap Replacement Period, CCCFA will (A) designate an Energy Delivery Termination Date in accordance with the Prepaid Energy Sales Agreement, with such Energy Delivery Termination Date occurring immediately at the end of the Swap Replacement Period and, (B) unless the CCCFA Commodity Swap has been terminated automatically pursuant to the terms thereof, designate an early termination date for the CCCFA Commodity Swap, with such early termination date occurring concurrently with the Energy Delivery Termination Date under the Prepaid Energy Sales Agreement.

**SOURCES AND USES OF FUNDS**

The sources and uses of funds in connection with the issuance of the Bonds are approximately as follows:

| | |
|---|---|
| SOURCES: | |
| Par Amount | $844,495,000.00 |
| Original Issue Premium | 84,576,174.25 |
| Total Sources | $929,071,174.25 |
| USES: | |
| Deposit to Project Fund[1] | $923,977,424.35 |
| Costs of Issuance[2] | 5,093,749.90 |
| Total Uses | $929,071,174.25 |

1 Includes the prepayment amount and capitalized interest on the Bonds (which will be transferred to the Debt Service Account).

2 Includes underwriting, rating agency, Trustee, financial advisor, legal and other fees and other expenses related to the issuance of the Bonds and the acquisition of the Clean Energy Project.

**THE BONDS**

*General*

The Bonds will mature (subject to redemption as described below) on the dates and in the principal amounts shown on the inside cover page of this Official Statement. The Bonds will be initially issued in denominations of $5,000 and any integral multiples thereof (an *"Authorized Denomination"*). The Bonds will be initially issued in book-entry only form through the facilities of The Depository Trust Company, New York, New York (*"DTC"*). See "THE BONDS — *Book-Entry System*" and APPENDIX G for a description of DTC and its book-entry system.

*Interest*

During the Initial Interest Rate Period, the Series 2025F Bonds will bear interest in a Term Rate Period, with the Series 2025F Bonds of each maturity bearing interest at the fixed rates shown on the inside cover page of this Official Statement. During the Initial Interest Rate Period, interest on the Series 2025F Bonds will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2026. During the Initial Interest Rate Period, interest on the Series 2025F Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

After the Initial Interest Rate Period, the Outstanding Bonds may be remarketed or converted into another Term Rate Period or may be remarketed or converted to one or more of a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period or an Index Rate Period(s). ***This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds have been converted to another Interest Rate Period***.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Bond is registered, at the close of business on the 15th day of the Month immediately preceding the Month in which such Interest Payment Date falls (the *"Regular Record Date"*).

Any interest on any Bond which is payable, but is not punctually paid or duly provided for on any Interest Payment Date (*"Defaulted Interest"*), shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by CCCFA to the Persons in whose names the Bonds are registered at the close of business on a date (the *"Special Record Date"*) for the payment of such Defaulted Interest, which shall be fixed in the following manner. CCCFA shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time CCCFA shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to and approved in writing by the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in the Indenture. Thereupon the Bond Registrar will then fix a Special Record Date for the payment of such Defaulted Interest which will be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the written notice of the proposed payment. The Bond Registrar shall promptly notify CCCFA of such Special Record Date and, in the name and at the expense of CCCFA, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

*Effect of a Ledger Event*

Upon the occurrence of a Ledger Event, an Energy Delivery Termination Event will occur under the Prepaid Energy Sales Agreement and a Ledger Termination Event will occur under the Funding Agreement, and the Energy Supplier will be required to withdraw the Final Payment Amount under the Funding Agreement, which will result in an Acceleration Event and extraordinary mandatory redemption of the Bonds. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*," "—*Ledger Event*," and "—*Termination*," and "THE FUNDING AGREEMENT—*Investment Termination Events*." See "THE

PREPAID ENERGY SALES AGREEMENT —*Ledger Event*" below for a description of the provisions of the Prepaid Energy Sales Agreement relating to a Ledger Event.

*Tender*

*Mandatory Tender at the Option of CCCFA.* The Bonds are subject to mandatory tender for purchase at the option of CCCFA in whole or in part on and after the first day of the third month preceding the Final Maturity Date (i.e., on and after August 1, 2033), at a Purchase Price calculated by a quotation agent selected by CCCFA equal to the Amortized Value thereof as of the Mandatory Purchase Date, plus $0.20 per $1,000 of the principal amount thereof, together with accrued and unpaid interest to the Mandatory Purchase Date selected by CCCFA; *provided, however*, in the event of a Failed Remarketing the Bonds will not be subject to mandatory tender as described in this section "—*Mandatory Tender at the Option of CCCFA*" and will be payable on the Final Maturity Date at par plus accrued and unpaid interest without premium; *and provided further that*, if the Mandatory Purchase Date is the Final Maturity Date, the Purchase Price shall be 100% of the principal amount of the Bonds. The obligation of CCCFA to purchase the Bonds will be subject to the condition that it shall have received funds sufficient to pay the Purchase Price of the Bonds on or prior to the Purchase Date and to such other conditions as CCCFA shall deem necessary, which conditions shall be stated in the notice of mandatory tender given pursuant to the Indenture. The Purchase Price of any Bond so purchased is payable in immediately available funds *first* from amounts on deposit in the Remarketing Proceeds Account established by the Indenture and *second* from amounts on deposit in the Issuer Purchase Account established by the Indenture. Accrued interest due on the Bonds on the Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account.

The Purchase Price of any Bond on the Mandatory Purchase Date shall be payable only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Owners by the Trustee, such notice to be given no less than 15 days prior to the applicable Mandatory Purchase Date. In the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on the Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and no interest shall accrue thereon on and after the Mandatory Purchase Date, and the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof.

*Failed Remarketing.* Under the Indenture and with respect to the Bonds, "Failed Remarketing" means (a) a failure of CCCFA to (i) establish an Extended Final Maturity Date and to deposit or cause to be deposited with the Trustee an amount equal to the principal amount of the Bonds due on the Final Maturity Date by 12:00 noon, New York City time, on the fifth Business Day preceding the Final Maturity Date, or (ii) purchase, redeem or pay the Bonds in whole by the Final Maturity Date (including from any funds on deposit in the Assignment Payment Fund and required to be used for such redemption); or (b) after an extension of the Final Maturity Date, a failure of the Trustee to (i) pay the Purchase Price of the Bonds required to be purchased on any Mandatory Purchase Date or (ii) redeem such Bonds in whole on any Mandatory Purchase Date (including from any funds required from an Assignment Payment to the Assignment Payment Fund). A Failed Remarketing is a Termination Payment Event and will result in an

Early Termination Payment Date under the Prepaid Energy Sales Agreement and the final payment of the Bonds on the Final Maturity Date.

*No Optional Tender.* The Bonds are ***not*** subject to optional tender by Bondholders during the Initial Interest Rate Period.

*Redemption*

*Optional Redemption of Series 2025F Bonds*. The Series 2025F Bonds are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date prior to the first day of the third month preceding the Final Maturity Date (i.e., prior to August 1, 2033) at a Redemption Price, calculated by a quotation agent selected by CCCFA, equal to the greater of:

(a) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2025F Bond to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the Maturity Date of such Series 2025F Bond, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax-Exempt Municipal Bond Rate (defined below) for such Series 2025F Bonds minus 0.25% per annum, provided, however, that if the Applicable Tax-Exempt Municipal Bond Rate results in a discount rate less than zero percent, such discount shall be 0.00% in any event, and

(b) the Amortized Value (defined below) thereof;

in each case plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025F Bonds.

On and after the first day of the third month preceding the Final Maturity Date (i.e., on and after August 1, 2033), the Series 2025F Bonds are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus $0.20 per $1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025F Bonds; provided that, if the optional redemption date is the Final Maturity Date, the Redemption Price will be 100% of the principal amount of the Series 2025F Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

In lieu of redeeming Series 2025F Bonds pursuant to the Indenture, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2025F Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2025F Bonds. Any Series 2025F Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of the Issuer.

The *"Applicable Tax-Exempt Municipal Bond Rate"* means, for the Bonds of any maturity, the "Comparable AAA General Obligations" yield curve rate for the year of such maturity as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to the Indenture. If no such yield curve rate is established for the applicable year, the "Comparable AAA General Obligations" yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax-Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through the internet address: www.tm3.com. In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics no longer publishes the Consensus Scale, the Applicable Tax-Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax-exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax-Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

*"Amortized Value"* means, with respect to any Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond's original reoffering yield (as set forth on the inside cover page of this Official Statement on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on APPENDIX H.

*Extraordinary Mandatory Redemption*. The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment Date, provided that in the case of a Failed Remarketing, the final payment on the Bonds will be required to be made on the Final Maturity Date, at a Redemption Price equal to the Amortized Value thereof, plus accrued and unpaid interest to the redemption date at the initial interest rates on the Bonds. See APPENDIX H for a schedule showing the Redemption Price (excluding accrued interest) of the Bonds upon an extraordinary mandatory redemption following an Early Termination Payment Date that occurs during the Initial Interest Rate Period.

CCCFA shall provide the Trustee with Written Notice of the Early Termination Payment Date (x) on the date on which a Failed Remarketing occurs, and (y) in all other cases, not more than five (5) Business Days after such date is determined.

*Notice of Redemption*. In the case of every redemption of Bonds, the Trustee must give notice, in the name of CCCFA, of the redemption of such Bonds by first-class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the

Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, not less than 15 days prior to the redemption date in the case of an extraordinary mandatory redemption described above and not less than 30 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2025F Bonds.

Each notice of redemption must identify the Bonds to be redeemed and must state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to a mandatory tender on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to the provisions of the Indenture relating to mandatory tender on such Mandatory Purchase Date rather than redeemed.

With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds will be deemed to have been paid under the Indenture, such notice must state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice will be of no force and effect, and CCCFA will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee must within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

*Effect of Redemption.* Notice having been given in the manner provided in the Indenture and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, will be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, CCCFA must execute and the Trustee must authenticate and the Paying Agent must deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series, maturity and tenor in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable.

If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of the Bonds or portions thereof being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

*Selection of Bonds to be Redeemed*. If less than all of the Bonds of like series, tenor and maturity are called for redemption, the particular Bonds or portions of Bonds of such series, tenor and maturity to be redeemed must be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such series, tenor and maturity not previously called for redemption; *provided*, *however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

*Extension of Maturity*

Upon the purchase of the Bonds by CCCFA pursuant to the provisions of the Indenture described above under the caption "*Tender — Mandatory Tender at the Option of CCCFA,*" CCCFA has the right to extend the Final Maturity Date of the Bonds upon satisfaction of certain conditions specified in the Indenture, including the delivery of a Favorable Opinion of Bond Counsel. CCCFA has covenanted in the Indenture to exercise commercially reasonable efforts to (a) exercise its right to cause a mandatory tender of the Bonds as described above, (b) extend the Final Maturity Date of the Bonds and (c) remarket the Bonds for an additional Interest Rate Period. In connection with the delivery of an Extended Final Maturity Certificate, CCCFA shall also have the right to specify Maturity Dates and Sinking Fund Installments with respect to the Bonds that are scheduled to occur before the Extended Final Maturity Date.

*Book-Entry System*

The Bonds will be initially issued in book-entry only form through the facilities of DTC. The Bonds will be transferable and exchangeable as set forth in the Indenture and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and premium, if any, and interest on the Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G — "BOOK-ENTRY SYSTEM".

## DEBT SERVICE REQUIREMENTS

Set forth in the following table are the Debt Service requirements on the Bonds in each bond year during the Initial Interest Rate Period, excluding the principal amount of the Bonds that mature on the Final Maturity Date (November 1, 2033)[1].

| YEAR ENDING NOVEMBER 1 | PRINCIPAL AMOUNT | INTEREST | TOTAL |
|---|---|---|---|
| 2026 | - | $41,990,168.06 | $41,990,168.06 |
| 2027 | - | 42,224,750.00 | 42,224,750.00 |
| 2028 | - | 42,224,750.00 | 42,224,750.00 |
| 2029 | - | 42,224,750.00 | 42,224,750.00 |
| 2030 | - | 42,224,750.00 | 42,224,750.00 |
| 2031 | - | 42,224,750.00 | 42,224,750.00 |
| 2032 | - | 42,224,750.00 | 42,224,750.00 |
| 2033 | - | 42,224,750.00 | 42,224,750.00 |
| TOTAL | - | $337,563,418.06 | $337,563,418.06 |

[1.] The principal amount of the Bonds maturing on November 1, 2033 is expected to be refunded or purchased prior to the Final Maturity Date. If these Bonds are not so refunded or purchased, a Failed Remarketing will occur and these Bonds will be paid pursuant to an extraordinary mandatory redemption on the Final Maturity Date.

## THE PREPAID ENERGY SALES AGREEMENT

*Purchase and Sale*

Under the Prepaid Energy Sales Agreement, the Energy Supplier agrees to deliver an Annual Quantity of EPS Compliant Energy in each Contract Year, to be delivered on a monthly basis, set forth in the Prepaid Energy Sales Agreement (the *"Prepaid Energy"*) during the Delivery Period and CCCFA has agreed to make a lump sum advance payment to the Energy Supplier for all of the cost of the Prepaid Energy to be delivered during the Delivery Period. The total quantity of expected Prepaid Energy to be delivered by the Energy Supplier during the Initial Reset Period is approximately 3.0 million MWh and is subject to change as described below under the heading "*Aggregate Quantity*".

For discussion of the Contract Price, see "THE POWER SUPPLY CONTRACT — *Pricing Provisions*".

*Delivery of Prepaid Energy*

*Assigned Energy*. Assigned Energy delivered under the Prepaid Energy Sales Agreement shall be Scheduled at the delivery point specified in the applicable Assignment Agreement (an "*Assigned Delivery Point*"). Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement. At the start of the Delivery Period, the Project Participant is expected to assign the initially Assigned PPA, as described under "– *Assignment of Power Purchase Agreements*" below, for delivery of the quantity of Assigned Energy equal to the quantity of Prepaid Energy required to be delivered by the Energy Supplier during the term of such assignments.

*Base Energy*. If the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to deliver Base Energy for remarketing under the terms of the

Prepaid Energy Sales Agreement. Base Energy is not expected to be delivered during the Initial Reset Period.

*Title*. Title to and risk of loss of the Energy delivered under the Prepaid Energy Sales Agreement shall pass from the Energy Supplier to CCCFA at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Energy shall be set forth in the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with the Western Renewable Energy Generation Information System or its successor.

*Aggregate Quantity*. The aggregate quantity of Energy to be delivered during the term of the Delivery Period varies based on the quantities of Prepaid Energy CCCFA has agreed to deliver to the Project Participant under the Power Supply Contract. The aggregate average quantity of Monthly Projected Quantities under the Prepaid Energy Sales Agreement during the Initial Reset Period is approximately 32,700 MWh.

*Assignment of Power Purchase Agreements*

The Project Participant has assigned its Initial Assigned Rights and Obligations to MSCG pursuant to a limited assignment agreement with respect to one power purchase agreement providing for the delivery of EPS Compliant Energy for a term ending December 31, 2027. Upon the expiration of this initially Assigned PPA, the Project Participant expects to assign one or more additional PPAs to MSCG or the Energy Supplier in order to enable the Energy Supplier to meet its Energy delivery obligations under the Prepaid Energy Sales Agreement for the remainder of the Initial Reset Period.

Upon any EPS Energy Period terminating or expiring (if EPS Compliant Energy is not available for delivery under the applicable Assignment Agreement immediately following (i) the end of any *Force Majeure* period (in the event of early termination) or (ii) the expiration of such EPS Energy Period), or any subsequent Assignment Agreement being entered into, the Prepaid Energy Sales Agreement and the Power Supply Contract include provisions to recalculate Assigned Quantities and quantities of Base Energy. As such, upon a replacement of the Assigned Rights and Obligations under an Assigned PPA, the quantities of Base Energy will be reduced as provided in the Prepaid Energy Sales Agreement. Quantities of Base Energy may also be revised to reflect any Replacement Assigned Rights and Obligations.

*Failure to Deliver or Receive Energy*

*Assigned Quantities*. Neither CCCFA nor the Energy Supplier shall have any liability or other obligation to one another for any failure to Schedule, receive, or deliver Assigned Quantities, except as described under the following subheading "— *Provisional Payments and Energy Remarketing*."

*Base Energy*. As Base Energy does not qualify as EPS Compliant Energy, CCCFA will have no obligation to take Base Quantities under the Prepaid Energy Sales Agreement. However, because CCCFA will have prepaid for all Energy to be delivered under the Prepaid Energy Sales Agreement, any Base Energy that is required to be delivered will be remarketed as described under the heading "*Provisional Payments and Energy Remarketing – Base Quantities*."

See "THE POWER SUPPLY CONTRACT — *Pricing Provisions*". **Base Energy is not expected to be delivered during the Initial Reset Period.**

*Provisional Payments and Energy Remarketing*

*Assigned Quantities*. In the event (a) the Annual Quantity has not been delivered for the then current Contract Year as of the end of a month, and (b) Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Average Price for the relevant Month (any such payment, a "*Provisional Payment*"). To the extent that the Energy Supplier makes one or more Provisional Payments to CCCFA in any Contract Year and the Annual Quantity is not delivered in full within such Contract Year, the Energy Supplier will be deemed to have remarketed such undelivered Assigned Quantities (other than any portion thereof that was not delivered due to Force Majeure) and to have purchased such Assigned Quantities for its own account (at a price equal to the weighted average price of such Provisional Payments), and such purchase will constitute a private-business use sale; provided no remarketing shall occur with respect to any Provisional Payment required to be made for Assigned Quantities not delivered due to Force Majeure. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of any such sale within twelve months of the first day of the Month prior to the Month in which CCCFA or the Project Participant receives the proceeds of such remarketing sale, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or any Municipal Utilities (as defined in Appendix B).

*Base Quantities*. In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. If (i) the Project Participant exercises Commercially Reasonable Efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract and (ii) the Project Participant is not in default under its Power Supply Contract, then:

- the Energy Supplier shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price;
- the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy; and
- to the extent the Project Participant has not remediated the proceeds of such sales within twelve months, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or other Municipal Utilities.

To the extent that the Project Participant (i) has not exercised Commercially Reasonable Efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract, (ii) is otherwise in default under its Power Supply Contract or (iii) does not require or is unable to receive all or a portion of the Prepaid Quantities under its Power Supply Contract as a result of decreased Energy requirements, decreased demand by its retail customers or EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement, then:

- the Energy Supplier is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy first to Municipal Utilities for a Qualifying Use, and if unable to remarket all or any portion of such quantities for a Qualifying Use at a net price not less than the applicable index price, to sell such remaining quantities in a non-private business sale; and

- to the extent the Energy Supplier cannot remarket such quantities to Municipal Utilities for a Qualifying Use, it is required to purchase such quantities for its own account.

The Energy Supplier shall pay to CCCFA the proceeds of any sales to Municipal Utilities or non-private business sales (net of a remarketing fee), and to the extent the Energy Supplier purchases quantities for its own account the Energy Supplier shall pay CCCFA an amount based on the applicable index price for such quantities; provided any such amounts payable by the Energy Supplier shall not be less than the Contract Price.

*Financial Responsibility*

If (a) the Energy Supplier or MSCG has entered into an Assignment Agreement that does not include a Receivables setoff provision substantially in the form prescribed in the Receivables Purchase Provisions (permitting the Energy Supplier to apply the face amount of Receivables relating to Assigned Product purchased by MSCG pursuant to the Assigned Rights and Obligations to reduce any Delivered Product Payment Amount) or (b) the Energy Supplier notifies CCCFA that the Energy Supplier has a concern about the Project Participant's ability to make payments under its Power Supply Contract, the Energy Supplier may request that the CCCFA exercise its rights under the Power Supply Contract, including its right to demand adequate assurance, and CCCFA shall promptly exercise such rights if commercially reasonable.

In the event of a dispute or if the Project Participant fails to provide adequate assurance when requested, the Energy Supplier may suspend deliveries to CCCFA and remarket the Contract Quantity under the Prepaid Energy Sales Agreement until the demand is satisfied and the term of deliveries to any replacement customer (to which such Energy has been remarketed) is completed. Reasonable grounds include but are not limited to the occurrence of an insolvency or liquidation proceeding with respect to the Project Participant or the downgrading of the Project Participant's credit rating below investment grade (in accordance with the applicable rating scale of the rating agency), or such facts and circumstances which would constitute reasonable grounds for insecurity under applicable Law.

*Payment After Delivery of Annual Quantity*

After the Annual Quantity has been delivered for any Contract Year, the Energy Supplier shall pay CCCFA the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year.

*Ledger Event*

Except as described under the heading "Provisional Payments and Energy Remarketing" above, the Energy Supplier is required to use Commercially Reasonable Efforts to remarket Base Energy first in Qualifying Sales and next in non-private business sales. If the Energy Supplier is unable to remarket Base Energy required to be remarketed under the Prepaid Energy Sales Agreement in Qualifying Sales or in non-private business sales, it must purchase such Base Energy for its own account. To the extent the Energy Supplier purchases such electricity, CCCFA will exercise Commercially Reasonable Efforts to use the proceeds of such remarketing to purchase Energy (other than Priority Energy, as described below) for resale in qualified sales.

If after two years there are remaining remarketing proceeds from sales to purchasers other than Municipal Utilities or other qualified users, such balance will count against either a limit equivalent to a quantity of Energy, in MWh, equal to $15 million divided by a specified fixed price per MWh under the Prepaid Energy Sales Agreement (or such higher limit determined in a Favorable Opinion of Bond Counsel) or a limit of 10% of the original quantity of Energy purchased under the Prepaid Energy Sales Agreement (or such higher limit determined in a favorable opinion of Bond Counsel), depending on the status of the purchaser at the time the proceeds are received by CCCFA. Both limits apply in the aggregate over the term of the Prepaid Energy Sales Agreement. Once either limit has been exceeded, a Ledger Event will be deemed to have occurred.

The occurrence of a Ledger Event could cause interest on the Bonds to become subject to federal income taxation, possibly retroactive to the Initial Issue Date of the Bonds. Upon the occurrence of a Ledger Event, an Energy Delivery Termination Event will occur under the Prepaid Energy Sales Agreement and a Ledger Termination Event will occur under the Funding Agreement, and the Energy Supplier will be required to withdraw the Final Payment Amount under the Funding Agreement, which will result in an Acceleration Event and extraordinary mandatory redemption of the Bonds. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*," "—*Ledger Event*," and "—*Termination*," and "THE FUNDING AGREEMENT—*Investment Termination Events*."

*Payment Provisions*

The prepayment from CCCFA to the Energy Supplier will be due prior to the inception of the term of the Prepaid Energy Sales Agreement. To the extent any other amount becomes due to the Energy Supplier or CCCFA thereunder (for example, as a result of remarketing or failure to deliver by the Energy Supplier), such amount will be due to the other party on or before the later of (x) the 25$^{th}$ or 22$^{nd}$ day, respectively, of the month following the month in which such amount accrues or (y) the 10$^{th}$ day following the relevant party's receipt of a billing statement (or if either such day is not a Business Day, the preceding Business Day).

*Force Majeure*

Each of CCCFA and the Energy Supplier are excused from their respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement to the extent prevented by Force Majeure (as defined in APPENDIX B). The Energy Supplier is required to pay to CCCFA the applicable index price with respect to any Base Energy not delivered due to Force Majeure.

*Assignment*

Neither party may assign its rights under the Prepaid Energy Sales Agreement without the other party's prior written consent except:

(a) pursuant to the Indenture, CCCFA may transfer, sell, pledge, encumber or assign the Prepaid Energy Sales Agreement to the Trustee in connection with a financing arrangement; *provided* that CCCFA may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, CCCFA also assigns the CCCFA Commodity Swap and CCCFA Custodial Agreement to the same assignee; and

(b) the Energy Supplier may assign the Prepaid Energy Sales Agreement to an affiliate, which assignment shall constitute a novation; provided that (i) the Energy Supplier delivers a Rating Confirmation with respect to such assignment, (ii) contemporaneously with the effectiveness of such assignment, the Energy Supplier also assigns the Energy Supplier Commodity Swap, the Energy Supplier Custodial Agreement and the Master Custodial Agreement to the same assignee and either (A) the Energy Supplier assigns the Funding Agreement and the Energy Management Agreement to the same assignee or (B) the assignee provides a guarantee of its obligations by Morgan Stanley, and (iii) the assignee is a special purpose entity approved by CCCFA or its obligations under the Prepaid Energy Sales Agreement are guaranteed or otherwise supported by the Funding Recipient to the satisfaction of CCCFA.

If either (a) the Energy Supplier notifies CCCFA that the Funding Agreement will not be replaced, re-financed or re-priced as of the end of any Interest Rate Period for the Bonds, (b) the Energy Supplier is unable to provide under the Re-Pricing Agreement an estimated Available Discount for any Reset Period that is equal to or greater than the applicable minimum discount under the Power Supply Contract, or (c) both (i) the Energy Supplier has agreed under the Re-Pricing Agreement to provide an Available Discount equal to or greater than the applicable minimum discount but for a Reset Period shorter than the entire remaining term to maturity of the Prepaid Energy Sales Agreement and (ii) CCCFA has identified a potential assignee that has agreed to provide an Available Discount equal to or greater than the applicable minimum discount for a Reset Period equal to the entire remaining term to maturity of the Prepaid Energy Sales Agreement, then, at the request of CCCFA, the Energy Supplier will reasonably cooperate with CCCFA to cause the Energy Supplier's (or the Energy Supplier's affiliate's) right, title and interest in the Prepaid Energy Sales Agreement, the Re-Pricing Agreement, the Energy Supplier Commodity Swap, the Energy Supplier Custodial Agreement and any Debt Service Account Investment Agreement with a term that extends past the then-current Interest Rate Period to which the Energy Supplier or any of its affiliates is a party and all agreements related to any of the foregoing (collectively, the "Transaction Documents") to be novated to a replacement seller. The Prepaid Energy Sales Agreement and the Indenture impose certain requirements, including delivery of a Rating Confirmation, for any such novation.

*Termination*

*Acceleration Event*. Following the occurrence of an Acceleration Event, the Energy Supplier is required to pay the Termination Payment on the Early Termination Payment Date. An Acceleration Event will occur the Prepaid Energy Sales Agreement under the following circumstances each an "*Acceleration Event*"):

- the Funding Agreement is accelerated pursuant to the provisions of the Funding Agreement due to an Investment Termination Event thereunder (see "THE FUNDING AGREEMENT – *Investment Termination Events*");

- the Energy Supplier is unable to replace, refinance or re-price the Funding Agreement for any Reset Period by the date that is one week prior to the beginning of the first Month following a Reset Period;

- the Project Participant makes a PSC Remarketing Termination under the Power Supply Contract for any Reset Period, and MSCG exercises its option to designate an EMA Early Termination Date under the Energy Management Agreement; or

- a Failed Remarketing occurs.

*Energy Delivery Termination Events*. An Energy Delivery Termination Date will occur automatically under the Prepaid Energy Sales Agreement upon the occurrence of an Acceleration Event or an Energy Delivery Termination Event. If an Energy Delivery Termination Date occurs, the Delivery Period under the Prepaid Energy Sales Agreement will end and the Energy Supplier will be required to make the payment or payments. An Energy Delivery Termination Date will occur under the following circumstances (each, an "*Energy Delivery Termination Event*"):

- the occurrence of a Ledger Event;

- both (a) an EMA Early Termination Date occurs under the Energy Management Agreement and (b) the Energy Supplier is unable to enter into a replacement Energy Management Agreement by the date that is 120 days following such early termination date;

- both (a) an early termination date is designated under the CCCFA Commodity Swap for any reason or occurs automatically pursuant to the terms of the CCCFA Commodity Swap based on an event of default or a termination event thereunder and (b) either the Energy Supplier Commodity Swap or the CCCFA Commodity Swap is not replaced within the Swap Replacement Period; or

- both (a) an early termination date is designated (or occurs automatically) under the Energy Supplier Commodity Swap for any reason and (b) either the Energy Supplier Commodity Swap or the CCCFA Commodity Swap is not replaced within the Swap Replacement Period.

*Termination Payment*

Following an Acceleration Event, the Energy Supplier is required to pay the Termination Payment to the Trustee on the Early Termination Payment Date. Except in the case of a Failed Remarketing, the "Early Termination Payment Date" is the last Business Day of the Month that commences after an Acceleration Event occurs. In the case of an Acceleration Event that results from a Failed Remarketing, the Early Termination Payment Date will be the last Business Day of the current Interest Rate Period. The obligation of the Energy Supplier to pay the Termination Payment on the Early Termination Payment Date is unconditional, and the Energy Supplier waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available with regard to its obligation to pay the Termination Payment on the Early Termination Payment Date.

The amount of the Termination Payment is set forth on an exhibit to the Prepaid Energy Sales Agreement. The Termination Payment schedule generally corresponds to the amount payable by the

Funding Recipient upon the maturity or prior redemption or acceleration of the Funding Agreement, or the price MSCG would pay to purchase the Funding Agreement from the Energy Supplier. The Termination Payment payable by the Energy Supplier, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that the Funding Recipient and the Energy Supplier pay and perform their respective obligations under the Funding Agreement, the Prepaid Energy Sales Agreement and the Energy Management Agreement when due.

*Receivables Purchase Provisions*

*General.* Pursuant to the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement, the Energy Supplier has agreed to purchase from CCCFA the rights to payment of net amounts owed by the Project Participant under the Power Supply Contract (the *"Put Receivables"*). CCCFA is required to sell and the Energy Supplier is required to purchase Put Receivables under the circumstances described below under *"Put Receivables."*

*Put Receivables.* Upon a payment default by the Project Participant under the Power Supply Contract, CCCFA shall put to the Energy Supplier and the Energy Supplier shall purchase Put Receivables with a face value equal to the amount of the non-payment by the Project Participant. CCCFA shall exercise its put option by delivering notice (the "*Put Option Notice*") to the Energy Supplier on the Business Day following the date on which the relevant payment default occurs. The Put Option Notice shall include a description of the Put Receivables (including the relevant Project Participant, aging information and face amount of the Put Receivables) to be sold to the Energy Supplier (collectively, the "*Put Identified Receivables*").

*Receivables Purchase by MSCG.* Under the Energy Management Agreement, MSCG has agreed to accept as payment from the Energy Supplier any Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions. See "The Energy Management Agreement."

## THE RE-PRICING AGREEMENT

*General*

CCCFA and the Energy Supplier will enter into the Re-Pricing Agreement which provides for the determination of Reset Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds. The Initial Reset Period under the Prepaid Energy Sales Agreement and the Power Supply Contract begins on January 1, 2026 and ends on the last day of September 2033. The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period.

The debt service requirements on the Bonds for each Reset Period will not be known until the interest rate on the Bonds has been determined for such Reset Period. The Power Supply Contract includes provisions for the adjustment of the Energy sales price for each Reset Period so as to provide Revenues sufficient to enable CCCFA to meet the debt service requirements on the Bonds during each Reset Period. Accordingly, the Re-Pricing Agreement further provides for the calculation of the amount of the Available Discount (in cents per MWh) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

In the event that the Available Discount for any Reset Period is less than the Minimum Discount specified in the Power Supply Contract (which includes both monthly discounts and any annual refunds), the Project Participant may elect for the Power Supply Contract and the Assignment Agreements to be terminated (a *"PSC Remarketing Termination"*) by giving notice of such election to CCCFA, the Energy Supplier and the Trustee. In the event that the Project Participant makes a PSC Remarketing Termination, the Power Supply Contract will be terminated unless CCCFA and the Energy Supplier are able to achieve an Available Discount equal to or greater than the Minimum Discount, and upon notice from the Energy Supplier that the Project Participant has made a PSC Remarketing Termination, MSCG will have the option to terminate the Energy Management Agreement. If MSCG exercises this option, an Acceleration Event and an Early Termination Payment Date will occur under the Prepaid Energy Sales Agreement. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*" and "—*Termination*".

*Replacement of Funding Agreement*

The Re-Pricing Agreement includes provisions that enable the Energy Supplier to obtain proposals from the Funding Recipient and other qualified funding providers for funding agreements to replace the Funding Agreement upon its maturity (which coincides with the end of the Initial Interest Rate Period). CCCFA agrees to cooperate in good faith with the Energy Supplier and to take all steps reasonably within its control to cause the Bonds to be remarketed or refunded for the Interest Rate Period that corresponds to each Reset Period.

**THE FUNDING AGREEMENT**

*Set forth below is a summary of certain provisions of the Funding Agreement. This summary does not purport to be a complete description of the terms and conditions of the Funding Agreement and accordingly is qualified by reference to the full text thereof. See APPENDIX J for a description of the Funding Recipient.*

*Amount and Term*

Upon its receipt of the prepayment proceeds under the Prepaid Energy Sales Agreement, the Energy Supplier will deliver a specified amount from such proceeds (the *"Invested Funds"*) to the Funding Recipient under the Funding Agreement. The Invested Funds will bear interest at a fixed interest rate, and the Funding Recipient will be obligated to pay to the Energy Supplier scheduled monthly amounts of principal and interest (the *"Monthly Amounts"*) and a final payment amount (the *"Final Payment Amount"*) on the Invested Funds Maturity Date (or other date on which no Bonds remain outstanding) or earlier termination date of the Funding Agreement. Interest earned on the Invested Funds (the *"Earnings"*) is automatically redeposited under the Funding Agreement on specified compounding dates.

The term of the Funding Agreement will end on the earliest to occur of (i) the last Business Day preceding the Final Maturity Date of the Bonds (the *"Invested Funds Maturity Date"*), (ii) if CCCFA exercises its option to call the Bonds for redemption as described in the second paragraph under the heading "THE BONDS — *Redemption — Optional Redemption of Series 2025F Bonds*" above, the Business Day preceding the optional redemption date of the Bonds, or (iii) if an Investment Termination Event (described below) occurs or is designated, the Business Day preceding the Early Termination Payment Date under the Prepaid Energy Sales Agreement (the *"Funding Agreement Early Termination Payment Date"*).

*Monthly Amounts*

The Monthly Amounts payable by the Funding Recipient are set forth on a schedule attached to the Funding Agreement and provide amounts sufficient to enable the Energy Supplier to meet its payment obligations (other than those in respect of the Receivables Purchase Provisions) under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap.

*Funding Recipient Events of Default*

Each of the following is an event of default under the Funding Agreement (a *"Funding Recipient Event of Default"*):

(a) failure of the Funding Recipient to make any payment of Invested Funds or Earnings when due pursuant to the provisions of the Funding Agreement and such failure continues for five Business Days following receipt by the Funding Recipient of written notice thereof from the Energy Supplier; or

(b) The Funding Recipient becomes insolvent or bankrupt or subject to the provisions of the Winding-Up and Restructuring Act of Canada, or goes into liquidation either voluntarily, or under an order of a court of competent jurisdiction, or otherwise acknowledges its insolvency; provided, that a resolution or order for winding-up the Funding Recipient with a view to its consolidation, amalgamation or merger with another bank shall not constitute a Funding Recipient Event of Default if such other bank shall, as a part of such consolidation, amalgamation, merger or transfer, and within thirty days after the passing of the resolution or the date of the order for the winding-up or liquidation of the Funding Recipient or within such further period of time as may be allowed by the Energy Supplier, (i) assume all of the obligations of the Funding Recipient under the Funding Agreement by operation of law or pursuant to an agreement reasonably satisfactory to the Energy Supplier and (ii) the creditworthiness of such other bank is not materially weaker than that of the Funding Recipient.

*Investment Termination Events*

Upon (a) the occurrence and continuance of a Funding Recipient Event of Default or (b) the occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement as a result of a Ledger Event ( a "*Ledger Termination Event*", and together with a Funding Recipient Event of Default, each an "*Investment Termination Event*"), the Energy Supplier, pursuant to the terms of the Prepaid Energy Sales Agreement, agrees that it shall exercise its right to withdraw the Final Payment Amount by delivering written notice to the Funding Recipient by the last day of the Month preceding the Month in which the resulting Funding Agreement Early Termination Payment Date will occur. The Final Payment Amount shall be payable on the business day immediately preceding the resulting Early Termination Payment Date under the Prepaid Energy Sales Agreement (such date to be specified in the Energy Supplier's notice), and the Funding Agreement shall be terminated upon payment of the Final Payment Amount. See "THE PREPAID ENERGY SALES AGREEMENT—*Termination*." In addition, the Energy Supplier agrees in the Prepaid Energy Sales Agreement not to withdraw the Final Payment Amount (by exercising its optional redemption right as described in the second paragraph under the heading "THE BONDS — *Redemption* — "*Optional Redemption of Series 2025F Bonds*") unless such amount (together with other available funds) is sufficient for early redemption of the Bonds.

*Unsecured Obligation*

The Funding Agreement is an unsecured obligation of the Funding Recipient and will be governed by New York law.

## THE ENERGY MANAGEMENT AGREEMENT

*Set forth below is a summary of certain provisions of the Energy Management Agreement. This summary does not purport to be a complete description of the terms and conditions of the Energy Management Agreement and accordingly is qualified by reference to the full text thereof.*

*General*

Under the Energy Management Agreement, MSCG agrees to sell and deliver the monthly or hourly Contract Quantity of electricity on a firm basis; *provided that* Assigned Energy to be delivered by MSCG in its capacity as a PPA Supplier under an Assignment Agreement shall be delivered pursuant to such Assignment Agreement and not under the Energy Management Agreement. The Energy Supplier agrees to pay MSCG for the electricity delivered (or remarketed by MSCG) under the Energy Management Agreement in an amount equal to the applicable index price set forth in the Energy Management Agreement, plus a specified fee per each MWh of electricity (the *"MSCG Fee"*), reduced by any amounts the Energy Supplier is required to remit under the Prepaid Energy Sales Agreement in respect of any energy subject to remarketing or provisional payments thereunder. The Contract Quantity, delivery points and delivery period under the Energy Management Agreement match the corresponding provisions of the Prepaid Energy Sales Agreement and, in turn, the corresponding provisions of the Power Supply Contract. The provisions of the Energy Management Agreement with respect to failures to deliver or take electricity match the corresponding provisions of the Prepaid Energy Sales Agreement.

*MSCG as Agent*

*General.* Under the Energy Management Agreement, the Energy Supplier appoints and directs MSCG as its agent and MSCG agrees to issue notices and other communications, billing statements and to take any other actions that the Energy Supplier is required or permitted to take under any of the agreements entered into by the Energy Supplier in connection with the Clean Energy Project, including the Prepaid Energy Sales Agreement and the Energy Management Agreement (collectively, the *"Energy Documents"*); provided that MSCG's agency role shall be limited to ordinary course actions required in connection with the Clean Energy Project and MSCG shall have no right to waive, modify or amend the terms of the Energy Management Agreement on the Energy Supplier's behalf or to act on the Energy Supplier's behalf with respect to any dispute thereunder. In exercising this agency power, MSCG shall have the authority to take any such actions as it deems necessary under the Energy Documents.

*Standard of Care.* In the conduct and performance of its agency role, MSCG shall conduct itself consistent with and observe the same standard of care as it has in similar transactions in which MSCG has acted as the seller under prepaid commodity sales agreements, and the Energy Supplier acknowledges and agrees that MSCG shall have no obligation to observe a standard of care greater than it has in such similar transactions or to take any actions or measures beyond those it typically takes in connection with such transactions. MSCG shall not be liable for any action taken or omitted by it in acting as agent on behalf of the Energy Supplier.

*Energy Remarketing.* Under the Energy Management Agreement, the Energy Supplier delegates, and MSCG assumes, all of the Energy Supplier's electricity remarketing obligations under the remarketing provisions of the Prepaid Energy Sales Agreement, and MSCG agrees to comply with such provisions. Pursuant to this delegation, all electricity remarketing notices, directions and other actions will be given to or by, and will be performed by, MSCG, except as described below.

*Receivables Purchases.* MSCG agrees in the Energy Management Agreement to accept as a credit against payment owed by the Energy Supplier any Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions.

*Payment Provisions*

Amounts due from MSCG to the Energy Supplier under the Energy Management Agreement (for example, as a result of remarketing or failure to deliver by MSCG) will be due on or before the 22nd day of the month following the month in which such amount accrues. Amounts due from the Energy Supplier to MSCG under the Energy Management Agreement will be due on or before the 25th day of the month following the month in which such amount accrues. MSCG is not entitled to net amounts due and owing by it thereunder, but the Energy Supplier is entitled to net any amounts due and owing by MSCG against its monthly payments due to MSCG.

*Force Majeure*

Each of the Energy Supplier and MSCG are excused from their respective obligations to receive and deliver electricity under the Energy Management Agreement to the extent prevented by *force majeure*, defined generally as any cause not within the reasonable control of, or the result of the negligence of, the party claiming an excuse to its obligations, and which by the exercise of due diligence such party is unable to overcome or avoid.

*Assignment*

Neither party may assign its rights under the Energy Management Agreement without the other party's consent, except that MSCG may assign the Energy Management Agreement to an affiliate of MSCG (which assignment shall constitute a novation) to the extent that either the Morgan Stanley Guarantee continues to apply to the assignee's obligations or Morgan Stanley otherwise guarantees such assignee's obligations thereunder.

*Defaults and Termination Events*

*MSCG Default.* Each of the following events constitutes a *"MSCG Default"* under the Energy Management Agreement:

(a) MSCG fails to pay when due any amounts owed to the Energy Supplier pursuant to the Energy Management Agreement and such failure continues for two business days after receipt by MSCG of notice thereof, unless Morgan Stanley has made such payment under the Morgan Stanley Guarantee;

(b) certain bankruptcy or insolvency events with respect to MSCG;

(c) any representation or warranty made by MSCG in the Energy Management Agreement proves to have been incorrect in any material respect when made; and

(d) the Morgan Stanley Guarantee ceases to be in full force and effect or is declared to be null and void, or Morgan Stanley contests the validity or enforceability of the Morgan Stanley Guarantee; provided that no such event will occur as a consequence of Morgan Stanley becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding.

*Energy Supplier Default.* Each of the following events constitutes a *"Energy Supplier Default"* under the Energy Management Agreement:

(a) the Energy Supplier fails to pay when due any amounts owed to MSCG pursuant to the Energy Management Agreement and such failure continues for five business days after receipt by the Energy Supplier of notice thereof;

(b) certain bankruptcy or insolvency events with respect to the Energy Supplier; and

(c) any representation or warranty made by the Energy Supplier in the Energy Management Agreement proves to have been incorrect in any material respect when made.

*Optional Non-Default Termination Event.* The Energy Supplier is required to provide prompt written notice to MSCG of any PSC Remarketing Termination by the Project Participant. Such notice will constitute an *"Optional Non–Default Termination Event"* under the Energy Management Agreement.

*Automatic Non-Default Termination Event.* The occurrence of an Energy Delivery Termination Date under the Prepaid Energy Sales Agreement will constitute an "*Automatic Non-Default Termination Event*" under the Energy Management Agreement.

*Remedies and Termination*

If an MSCG Default or an Energy Supplier Default has occurred and is continuing, the non-defaulting party may designate an early termination date under the Energy Management Agreement by notice to the defaulting party (an *"EMA Early Termination Date"*). If an Optional Non-Default Termination Event has occurred and is continuing, MSCG may designate an EMA Early Termination Date by notice to the Energy Supplier; provided that MSCG's right to designate an EMA Early Termination Date will expire if not exercised within ten Business Days of such event. An EMA Early Termination Date will occur automatically upon the occurrence of an Automatic Non-Default Termination Event.

If an Energy Delivery Termination Date occurs, the Delivery Period for electricity under the Energy Management Agreement will end and the obligations of the parties to deliver and receive electricity will terminate.

*Morgan Stanley Guarantee*

The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by Morgan Stanley under a guarantee agreement (the "*Morgan Stanley Guarantee*"). Any description of the Morgan Stanley Guarantee is qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

*Neither the Trustee nor the Bondholders have any rights to enforce the Morgan Stanley Guarantee.*

## THE ENERGY SUPPLIER, MSCG, MSCS AND MORGAN STANLEY

*Set forth below is certain information regarding the Energy Supplier, MSCG, MSCS and Morgan Stanley that has been obtained from such persons and other sources believed to be reliable. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Energy Supplier, MSCG, MSCS or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.*

*Energy Supplier.* The Energy Supplier is a Delaware limited liability company organized for the sole purpose of entering into the transactions on its part with respect to the Clean Energy Project. MSCG is the sole member (the "*Member*") and the Manager (the "*Manager*") of the Energy Supplier and will fund the Energy Supplier by the purchase of a subordinated note of the Energy Supplier (the "*Subordinated Note"*) under a note purchase agreement (the "*Subordinated Note Purchase Agreement"*) with the Energy Supplier and the capital contribution described below.

The Energy Supplier is governed by a three-member board of directors. One director is appointed by MSCG, one director is appointed by CCCFA, and the third director is an independent director appointed by MSCG. MSCG is designated as the Manager of the Energy Supplier. The Energy Supplier agrees to indemnify the directors (other than the director appointed by MSCG), the Member, the Manager and their affiliates ("*Covered Persons"*) for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Energy Supplier and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by the Energy Supplier's limited liability company agreement; provided that the Energy Supplier's indemnification obligations to any Covered Person shall not in any event exceed $500,000 in the aggregate.

The director appointed by CCCFA has the sole consent rights with respect to certain matters, including: the enforcement of the Energy Management Agreement and the designation of an EMA Early Termination Date under the Energy Management Agreement; the removal and replacement of MSCG as the Manager of the Energy Supplier and as the Energy Supplier's agent under the Prepaid Energy Sales Agreement if the Energy Management Agreement between MSCG and the Energy Supplier has been terminated due to a MSCG Default; the removal and replacement of the Master Custodian (defined below); and certain determinations with respect to Reset Periods under the Re-Pricing Agreement.

CCCFA covenants in the Indenture that, in any vote that comes before the board of directors of the Energy Supplier regarding the Product Supplier Documents (as defined in the Indenture), it will instruct the CCCFA-appointed director to exercise its voting rights in favor of (a) observing and performing the Energy Supplier's obligations under the Prepaid Energy Sales Agreement, (b) the Energy Supplier enforcing the provisions of the Product Supplier Documents, and (c) not permitting any assignment, rescission, amendment or waiver to or of the Product Supplier Documents which will in any manner materially impair or materially adversely affect the rights of CCCFA thereunder or the rights or security of the Bondholders under the Indenture. The director appointed by MSCG has sole consent rights with respect to other matters, including: the termination or replacement of the Energy Supplier Commodity Swap: and the entry into any contracts, transactions or other arrangements for the acquisition or sale of electricity by the Energy Supplier, including agreement by the Energy Supplier on the terms thereof including but not limited to pricing. The independent director is required to consider only the interests of the Energy Supplier and its creditors in acting or voting on certain material actions that require the unanimous consent of the directors. No resignation or removal of the independent director will be effective until a successor independent director has been appointed.

*MSCG*. Pursuant to the Energy Management Agreement, MSCG will act as the upstream electricity supplier to the Energy Supplier in connection with the Clean Energy Project. MSCG is the sole member and the manager of the Energy Supplier. MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC. The short-term and long-term issuer ratings of MSCG are "A-1" and "A+" from S&P Global Ratings and "P-1" and "Aa3" from Moody's.

*MSCS*. MSCS engages primarily in OTC derivative transactions as a market maker and provides trading related services to a broad range of customers and clients, including affiliates. MSCS is conditionally registered with the SEC as a security-based swap dealer and is registered as an OTC derivative dealer. MSCS is also registered with the CFTC as a swap dealer and is a member with ICE Clear Europe Ltd, ICE Clear Credit, LLC and LCH Clearnet Group Ltd. MSCS is an indirect subsidiary of Morgan Stanley. The short term and long term issuer ratings of MSCS are "A-1" and "A+" from S&P Global Ratings and "P-1" and "Aa3" from Moody's.

*Morgan Stanley.* Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S., and its principal offices in London, Tokyo, Hong Kong and other world financial centers. Morgan Stanley's principal executive offices are at 1585 Broadway, New York, New York 10036, and its telephone number is (212) 761-4000.

The senior unsecured long-term debt of Morgan Stanley is rated "A1" by Moody's, "A-" by S&P, and "A+" by Fitch.

Morgan Stanley is unconditionally guaranteeing the payment obligations of MSCG under the Energy Management Agreement pursuant to the Morgan Stanley Guarantee.

*Energy Supplier Master Custodial Agreement*. The Energy Supplier, MSCG, CCCFA and The Bank of New York Mellon, as custodian (the "*Master Custodian*"), will enter into an SPE Master Custodial Agreement (the "*Master Custodial Agreement*") to administer:

(a) the amounts payable to the Energy Supplier under (i) the Funding Agreement, (ii) the Energy Management Agreement, (iii) the Prepaid Energy Sales Agreement, (iv) the Energy Supplier Commodity Swap, (v) the Subordinated Note Purchase Agreement and (vi) the Credit Default Swap (defined below), and

(b) the amounts payable by the Energy Supplier (i) under the Prepaid Energy Sales Agreement, (ii) under the Energy Management Agreement, (iii) under the Energy Supplier Commodity Swap, (iv) as a distribution to MSCG in its capacity as the sole member of the Energy Supplier, (vi) under the Subordinated Note and (vii) under the Credit Default Swap.

The Master Custodial Agreement establishes a revenue account (the "*Energy Supplier Revenue Account*") and a capital account (the "*Energy Supplier Capital Account"*) with the Master Custodian. The amounts payable to the Energy Supplier under the Funding Agreement, the Energy Management Agreement, the Prepaid Energy Sales Agreement and the Energy Supplier Commodity Swap are to be paid directly into the Energy Supplier Revenue Account.

Under the Master Custodial Agreement, the Master Custodian will, to the extent of the amounts on deposit in the Energy Supplier Revenue Account and so long as no Early Termination Payment Date has occurred under the Prepaid Energy Sales Agreement, make monthly transfers for the payment of amounts due by the Energy Supplier under (and in the following order of priority): (i) the Energy Supplier Commodity Swap; (ii) the Prepaid Energy Sales Agreement; and (iii) the Energy Management Agreement. Following these monthly transfers, any remaining funds in the Energy Supplier Revenue Account are transferred to the Energy Supplier Capital Account. Pending their application, the amounts in the Energy Supplier Revenue Account are held in trust for the benefit of the Energy Supplier. Following receipt of notice from the Energy Supplier that an Early Termination Payment Date has occurred under the Prepaid Energy Sales Agreement, the Master Custodian will withdraw amounts on deposit in the Energy Supplier Revenue Account for the payment of other specified obligations of the Energy Supplier.

The Energy Supplier Capital Account will be initially funded by MSCG by the purchase of the Subordinated Note in the amount of $7.3 million and a capital contribution of $1 million. The capital contribution may be in the form of cash or Cash Equivalents (defined below). In addition, MSCS and the Energy Supplier have entered into a credit default swap transaction (the "*Credit Default Swap"*) under which MSCS agrees to pay to the Energy Supplier specified amounts upon the occurrence of a Funding Recipient Event of Default with respect to the Funding Agreement and, except in the case of insolvency events, an acceleration of the Funding Agreement pursuant to the terms of the Funding Agreement.

Collectively, the proceeds of the Subordinated Note, the capital contribution and the amounts payable under the Credit Default Swap equal at least three percent of the outstanding (unamortized) amount of the prepayment under the Prepaid Energy Sales Agreement (approximately $26.5 million as of the Initial Issue Date).

Under the Master Custodial Agreement, the amounts in the Energy Supplier Capital Account may be invested only in: direct obligations of (or unconditionally guaranteed by) the United States (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States) maturing not more than two years from the date of acquisition thereof; certain certificates of deposit and demand deposits; certain money market funds; demand deposits; and cash ("*Cash Equivalents*").

Amounts on deposit in the Energy Supplier Capital Account shall be withdrawn by the Master Custodian pursuant to instructions provided by the Energy Supplier and applied to: (a) meet the Energy Supplier's collateral posting obligations under the credit support annexes to the Energy Supplier Commodity Swap; (b) to make up any deficiency of the amounts on deposit in the Energy Supplier Revenue Account for the purposes described above; and (c) pay fees or other amounts due to the Master Custodian and the Independent Director. The Master Custodian shall have a lien, security interest and right of set-off for the payment of any claim by the Master Custodian for compensation, reimbursement or indemnity under the Master Custodial Agreement.

To the extent that the amounts on deposit in the Energy Supplier Capital Account (including any amounts posted by Energy Supplier as collateral under the Energy Supplier Commodity Swap) at any time exceed the greater of a scheduled amount specified in the Master Custodial Agreement or $7.3 million (the greater of these amounts is referred to as the "*Minimum Deposit Amount*"), and after the payment of the Energy Supplier's obligations under the Energy Supplier Commodity Swap, the Prepaid Energy Sales Agreement and the Energy Management Agreement, the Master Custodian is instructed to withdraw amounts on deposit in the Energy Supplier Capital Account to be applied first to the payment of amounts due by the Energy Supplier under the Credit Default Swap, second as a distribution to MSCG in its capacity as the sole member of Energy Supplier, and third to the payment of amounts due, if any, under the Subordinated Note for any given Month; provided that the Master Custodian shall not transfer any amount from the Energy Supplier Capital Account to the extent the remaining balance in the Energy Supplier Capital Account following such transfer will be less than the Minimum Deposit Amount.

## THE POWER SUPPLY CONTRACT

### *General*

Under the Power Supply Contract, CCCFA has agreed to sell and deliver to the Project Participant, and the Project Participant has agreed to purchase and receive from CCCFA at the delivery point, quantities of EPS Compliant Energy, which shall be comprised of Assigned Energy and other EPS Compliant Energy delivered to CCCFA by the Energy Supplier under the Prepaid Energy Sales Agreement.

The Power Supply Contract will remain in full force and effect for a primary term ending at the end of the Delivery Period under the Prepaid Energy Sales Agreement; *provided, however*, that if the Prepaid Energy Sales Agreement is terminated, the Power Supply Contract will terminate on the Termination Date.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

For information regarding the Project Participant, see APPENDIX A.

### *Pricing Provisions*

*Contract Price.* For each MWh of Prepaid Energy delivered to the Project Participant, the Project Participant shall pay CCCFA the applicable Contract Price; provided that CCCFA shall owe a payment to the Project Participant to the extent that the Contract Price is negative. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products. The *"Contract Price"* means (i) for Monthly Projected Quantities, the Day-Ahead Average Price for the Month in which Energy is delivered minus the Monthly Discount; and (ii) for Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price for the Month in which Energy is delivered. With respect to Monthly Excess Quantities and Assigned Paygo Quantities (as such terms are defined in APPENDIX B), the Project Participant's payment obligations under the Power Supply Contract shall be satisfied by its payment of the "Retained Payment Amount" consistent with the terms of the Participant Custodial Agreement (as such terms are defined in APPENDIX B).

If Base Energy is required to be delivered and remarketed pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier will remarket such Base Energy at a price, net of applicable costs, not less than the Day-Ahead Market Price. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*".

Through the Clean Energy Project, the Project Participant anticipates realizing a discount to existing fixed contract prices or to market Energy prices. No assurance can be given as to the total actual discount the Project Participant will realize.

*Project Administration Fee*

Under the Prepaid Clean Energy Project Administration Agreement, the Project Participant is required to pay to CCCFA annually a Project Administration Fee in an amount sufficient to pay any Operating Expenses then due and for which payment has not been made from the Operating Fund.

*Assignment of Power Purchase Agreements*

*General.* Concurrently with the execution of its Power Supply Contract, the Project Participant will assign the Initial Assigned Rights and Obligations to the Energy Supplier for delivery under the Prepaid Energy Sales Agreement.

Under the terms of a letter agreement, commencing six months prior to the expiration of any EPS Energy Period, or otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, the Project Participant shall exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations under one or more Assigned PPAs (pursuant to which the Project Participant is purchasing EPS Compliant Energy) either to the Energy Supplier or MSCG, subject to MSCG's and the Energy Supplier's consent to such assignment. For any Assigned PPA assigned to MSCG, MSCG will be obligated to sell and deliver Assigned Energy and associated attributes it receives under all Assigned Rights and Obligations pursuant to such Assigned PPA to the Energy Supplier pursuant to the Energy Management Agreement, and the Energy Supplier will be obligated to deliver such Assigned Energy and associated attributes to CCCFA pursuant to the Prepaid Energy Sales Agreement. See "THE CLEAN ENERGY PROJECT - *Assignment of Power Purchase Agreements by the Project Participant*".

*Failure to Obtain EPS Compliant Energy.* Under the terms of a letter agreement, to the extent an EPS Energy Period terminates or expires and the Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery, then the Energy Supplier shall remarket the Base Energy pursuant to the Prepaid Energy Sales Agreement, the obligations of the Project Participant and the Energy Supplier described under this heading shall continue to apply and the Project Participant may not make any new commitment to purchase Priority Energy during such a remarketing. See "THE PREPAID ENERGY SALES AGREEMENT – *Provisional Payments and Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

*Billing and Payment*

Not later than ten days following the end of the Month during the Delivery Period, CCCFA must provide a monthly billing statement of the amount due for the Energy actually delivered in the previous Month. The due date for payment by the Project Participant will be the 20th day of the month following the month of delivery (or if such day is not a Business Day, the preceding Business Day). The due date for payment from CCCFA will be the 28th day of the month following the month of delivery (or if such day is not a Business Day, the preceding Business Day). If the Project Participant disputes the appropriateness of any charge or calculation in any billing statement, the Project Participant, within the time provided for payment, must notify CCCFA of the existence of and basis for such dispute and, absent manifest error, must pay all amounts billed by CCCFA, including any amounts in dispute. If it is ultimately determined that the Project Participant did not owe the disputed amount, CCCFA must pay the Project Participant the disputed amount plus interest.

*Annual Refunds*

CCCFA has agreed to provide annual refunds to the Project Participant from amounts available for distribution pursuant to the Indenture. In determining the amount of such refunds, CCCFA may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate to cover anticipated costs and expenses to be incurred in the next succeeding bond year, with certain limitations.

*Covenants of the Project Participant*

*Operating Expense*. The Project Participant covenants (a) to make the payments on its part due under the Power Supply Contract from the revenues of its electric utility system, and only from such revenues, as an item of operating expense and (b) that it will not pledge or encumber its revenues in any way which creates a prior or superior obligation to its obligation to make payments under the Power Supply Contract.

*Maintenance of Rates and Charges*. The Project Participant has covenanted and agreed that it will establish, maintain, and collect rates and charges for its electric utility system so as to provide revenues sufficient, together with all available electric system revenues, to enable it to pay to CCCFA all amounts legally payable from such revenues and to maintain required reserves.

*Qualifying Use*. The Project Participant has agreed that it will (a) provide such information with respect to its electric utility system as may be requested by CCCFA in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as CCCFA may provide from time to time in order to enable CCCFA to maintain the tax-exempt status of interest on the Bonds. Without limiting the foregoing, the Project Participant has further agreed to use the Energy purchased under the Power Supply Contract (a) in a "qualifying use" as defined in the applicable U.S. Treasury Regulation, (b) in a manner that will not result in any private business use of that Energy within the meaning of Section 141 of the Code, and (c) consistent with its Federal Tax Certificate (collectively, the *"Qualifying Use Requirements"*).

In the event that any portion of the Project Participant's contract quantity is remarketed in a manner that does not comply with the Qualifying Use Requirements, the Project Participant agrees to exercise Commercially Reasonable Efforts to use the proceeds of such remarketing to purchase Energy (other than

Priority Energy, which are described below) for use in compliance with such Qualifying Use Requirements. The Project Participant further agrees to provide monthly remediation certificates to CCCFA and the Energy Supplier with respect to other purchases of Energy that is used in compliance with the Qualifying Use Requirements to remediate the proceeds from sales of Energy that were sold in a transaction that does not comply with the Qualifying Use Requirements

*Priority Energy.* The Project Participant agrees to purchase and receive the Base Energy and Assigned Quantities to be delivered under its Power Supply Contract (a) in priority over and in preference to all other Energy available to it that are not Priority Energy; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Energy. For purposes of this covenant and during the Delivery Period, *"Priority Energy"* means (a) the Contract Quantity, and (b) other Energy that the Project Participant is obligated to take under a long-term agreement that is purchased with or generated using capacity that was constructed using the proceeds of tax-exempt bonds, notes, or other obligations.

*Delivery Points; Title and Risk of Loss*

*Assigned Energy*. Assigned Energy delivered under the Power Supply Contract shall be Scheduled for delivery to and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Agreement. All other Assigned Energy will be delivered pursuant to the terms of the applicable Assignment Agreement. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

*Title*. Title to and risk of loss of the Prepaid Energy delivered under each Power Supply Contract shall pass from the CCCFA to the Project Participant at the applicable Assigned Delivery Point. The transfer of title and risk of loss for Assigned Energy shall be in accordance with the applicable Assignment Agreement.

*Failure to Perform*

To the extent that specified quantities of Assigned Product are not delivered to the Project Participant for reasons other than Force Majeure, the remarketing provisions of the Prepaid Energy Sales Agreement shall apply. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*". Neither the Project Participant nor CCCFA has any liability to one another for any failure to take or deliver Assigned Energy, except as described in this section under "— *Assignment of Power Purchase Agreements*."

*Remarketing of Energy*

Under the Prepaid Energy Sales Agreement, in the event the Project Participant is in default under its Power Supply Contract or does not require or is unable to receive all or any portion of its Contract Quantity under its Power Supply Contract as a result of (i) the Project Participant's decreased Energy requirements, (ii) decreased demand by its retail customers, or (iii) EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement, or if the Assigned Energy for any measurement period is not equal to or greater than the quantity of Prepaid Energy required to be delivered during such period for any reason other than Force Majeure, then the Energy Supplier is required to remarket such portion of the Contract Quantity as required under the Remarketing Provisions. Under the Prepaid Energy Sales Agreement, CCCFA arranges for sales through the Energy Supplier in accordance with the Remarketing Provisions. If the Energy Supplier successfully makes such a sale or sales, CCCFA must credit against the amount owed by the Project Participant to CCCFA the amount received from the Energy Supplier, such credit not to exceed the Contract Price for the Energy so sold. See "The Prepaid Energy Sales Agreement — *Provisional Payments and Energy Remarketing*".

*Force Majeure*

Except with regard to a party's obligation to make payments under the Power Supply Contract, neither party shall be liable to the other for failure to perform its obligations under the Power Supply Contract to the extent such performance is prevented by an event of "*Force Majeure*" (as defined in APPENDIX B).

*Default*

Each of the following is a default under the Power Supply Contract:

(a) Any representation or warranty made by a party in the Power Supply Contract shall prove to have been incorrect in any material respect when made; and

(b) A party fails to perform, observe or comply with any covenant, agreement or term contained in the Power Supply Contract, subject to such grace period and notice or knowledge provisions set forth therein.

In addition, each of the following is a default by the Project Participant under the Power Supply Contract:

(a) Failure by the Project Participant to pay when due any amounts owed to CCCFA under the Power Supply Contract, subject to a grace period; and

(b) The insolvency or bankruptcy of the Project Participant.

Upon the occurrence of a default by the Project Participant described in (b) above, the Power Supply Contract will automatically terminate and all amounts due to CCCFA will be immediately due and payable. Upon the occurrence of the other defaults described above, the non-defaulting party may terminate the Power Supply Contract and/or declare all amounts due to it to be immediately due and payable. During the existence of a default, the non-defaulting party may exercise all other rights and remedies available to it at law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of the Power Supply Contract.

In addition, the Project Participant's issuance of a valid Remarketing Termination Notice (other than a Voided Remarketing Termination Notice) is an "*Automatic Non-Default Termination Event*" under the Power Supply Contract. If an Automatic Non-Default Termination Event occurs, then (A) the Delivery Period will end as of the end of then-current Reset Period (i.e., as of the end of the Reset Period preceding the Reset Period for which the Project Participant issues a valid Remarketing Termination Notice other than a Voided Remarketing Termination Notice), (B) the Power Supply Contract will terminate upon payment by the parties of any outstanding amounts due under the Power Supply Contract and (C) the Project Participant will exercise its right to terminate any Assignment Agreements in effect.

In addition to the remedies described above, during the existence of any payment default by the Project Participant, CCCFA may suspend its performance under the Power Supply Contract and discontinue the supply of all or any portion of the Energy otherwise to be delivered to the Project Participant under the Power Supply Contract.

If CCCFA exercises its right to discontinue Energy deliveries to the Project Participant, such service may only be reinstated, at a time determined by CCCFA, upon (a) payment in full by the Project Participant of all amounts then due and payable under its Power Supply Contract and (b) payment in advance by the Project Participant at the beginning of each month amounts estimated by CCCFA to be due from the Project Participant for the future delivery of Energy for such month. If the Project Participant fails to accept the Energy tendered, CCCFA has the right to sell the Energy to third parties.

*Assignment*

The provisions of the Power Supply Contract are binding on the successors and assigns of such contract. Neither party may assign the Power Supply Contract to another party without the prior written consent of the other party, except that CCCFA may assign its interests to secure its obligations under the Indenture. Prior to assigning all or any part of its interest in the Power Supply Contract, the Project Participant is required to deliver to CCCFA a Rating Confirmation from each rating agency then rating the Bonds. Any applicable Assignment Agreement will terminate concurrent with the assignment of the Power Supply Contract.

## CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

*General*

CCCFA is a joint powers authority formed pursuant to the Act and the joint powers agreement ("the *JPA Agreement*") made among those public agencies which are its members. CCCFA was incorporated and organized in 2021. As of the date of this Official Statement the members of CCCFA are Ava Community Energy, Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy and the Project Participant (Silicon Valley Clean Energy Authority) (each a "*Founding Member*") and San Diego Community Power, Peninsula Clean Energy Authority, Pioneer Community Energy, the City of San José through its community choice aggregator program known as San José Clean Energy, Sonoma Clean Power Authority and Valley Clean Energy Alliance (each an "Associate Member" and, together with the Founding Members and any additional members which may later be added as parties to the JPA Agreement, a "*Member*").

Each Member is a community choice aggregator, and a public agency as defined in the Act, which operates a community choice aggregation program with the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs.

CCCFA was formed for, among other purposes, the purpose of financing energy prepayments which can be financed with tax advantaged bonds for the benefit of its Members.

*Powers and Authority*

Under the provisions of the Act, CCCFA has all of the powers common to the Members, and any and all power in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations, including: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations (a "*Prepayment Project*"). CCCFA shall have the power to issue, incur, sell and deliver bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects.

Under the provisions of the JPA Agreement and the Act, CCCFA has (among others) the following powers:

(a) to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;

(b) to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);

(c) to employ agents and employees;

(d) to acquire, manage, maintain or operate any building, works or improvements;

(e) to acquire, hold, lease or dispose of property;

(f) to incur debts (including without limitation through the issuance or incurrence of bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);

(g) to sue and be sued in its own name;

(h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;

(i) to receive, collect, invest and disburse moneys;

(j) to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

(k) to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;

(l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions; and

(m) to exercise any other power and take any other action permitted by law to accomplish the purposes of the JPA Agreement.

The JPA Agreement shall continue in full force and effect until terminated as provided in therein; *provided*, *however*, the JPA Agreement cannot be terminated while either (a) any bonds of CCCFA, including the Bonds, remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any bonds.

*Governance and Management*

*Board of Directors*. CCCFA is governed by a Board of Directors (the "*Board*") consisting of one director for each Founding Member. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA. The Board may appoint a part-time or full-time General Manager and may appoint one or more part-time or full-time Assistant General Managers. The General Manager would be responsible for the day-to-day operation and management of CCCFA. The names of the current directors of CCCFA are listed on the roster page at the front of this Official Statement.

*Management.* The Board has not appointed a General Manager or Assistant General Manager. CCCFA's current management team consists of Garth Salisbury as Treasurer/Controller and David J. Ruderman of Colantuono, Highsmith & Whatley, PC as General Counsel.

*Other CCCFA Projects*

CCCFA previously issued its bonds (a) on September 23, 2021 to purchase prepaid electricity from Morgan Stanley Energy Structuring, L.L.C. ("MSES") which is delivered to its Members, Ava Community Energy (formerly known as East Bay Community Energy Authority) and Silicon Valley Clean Energy Authority, (b) on November 24, 2021 to purchase prepaid electricity from Aron Energy Prepay 5 LLC, which is delivered to its Member, Marin Clean Energy, (c) on July 12, 2022 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy, (d) on January 4, 2023 to purchase prepaid electricity from Aron Energy Prepay 15 LLC, which is delivered to its Member, Pioneer Community Energy, (e) on January 27, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Silicon Valley Clean Energy Authority (f) on February 23, 2023 to purchase prepaid electricity from Aron Energy Prepay 14 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (g) on June 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 16 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (h) on August 16, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy, (i) on October 26, 2023 to purchase prepaid electricity from Aron Energy Prepay 22 LLC, which is delivered to it Member, Central Coast Community Energy, (j) on December 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 21 LLC, which is delivered to its Member, Marin Clean Energy, (k) on January 25, 2024 to purchase prepaid electricity from MSES, which is delivered to its Member Silicon Valley Clean Energy Authority, (l) on August 27, 2024 to purchase prepaid electricity from Aron Energy Prepay 41 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (m) on October 10, 2024 to purchase prepaid electricity from Aron Energy Prepay 43 LLC, which is delivered to its Member, Peninsula Clean Energy Authority, (n) on November 4, 2024 to purchase prepaid electricity from MSES, which is delivered to its Member the City of San José, (o) on November 14, 2024 to purchase prepaid electricity from Royal Bank of Canada, which is delivered to its Member, Clean Power Alliance of Southern California, (p) on November 20, 2024 to purchase prepaid electricity from Energy Prepay IV, LLC, which is delivered to its Member, San Diego Community Power, (q) on November 27, 2024 to purchase prepaid electricity from Aron Energy Prepay 45 LLC, which is delivered to its Member, Sonoma Clean Power Authority, (r) on December 20, 2024 to purchase prepaid electricity from Aron Energy Prepay 46 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (s) on March 13, 2025 to purchase prepaid electricity from Aron Energy Prepay 44 LLC, which is delivered to its Member, Valley Clean Energy Alliance, (t) on June 18, 2025 to purchase prepaid electricity from Aron Energy Prepay 52

LLC, which is delivered to its Member, Marin Clean Energy, (u) on July 25, 2025 to purchase prepaid electricity from Energy Prepay III, LLC, which is delivered to its Member, San Diego Community Power, (v) on September 26, 2025 to purchase prepaid electricity from Energy Prepay VIII, LLC, which is delivered to Ava Community Energy, and (w) on October 14, 2025 to purchase prepaid electricity from Aron Energy Prepay 53, which is to be delivered to its Member, Ava Community Energy. Each series of bonds is secured by a separate bond indenture.

CCCFA may issue future bonds to purchase prepaid electricity supplies for sale to participating municipal utilities, with the revenues from such sales pledged to the payment of such bonds. Such revenues will not be pledged, nor may such revenues be used, to pay amounts due with respect to the Bonds.

In furtherance of its corporate and public purposes, CCCFA intends to acquire and finance supplies of electricity on a prepaid basis for sale to other community choice aggregators. CCCFA is currently developing additional Clean Energy Projects under transaction and financing structures that are expected to be generally similar to the structure of the Clean Energy Project. CCCFA can give no assurance as to the timing or terms of these projects or that they will be completed. A range of factors that are outside of the control of CCCFA, including the final negotiation of transaction documents, the approval of commodity supply contracts by the prospective project participants, changes in market prices and rates, the receipt of bond ratings, and other factors could result in these transactions not being completed.

Any additional Clean Energy Projects that may be undertaken by CCCFA will be separate and distinct transactions, and the bonds issued to finance these projects will be payable solely from the commodity sales and other revenues pledged for their payment. In no event will the Revenues and Trust Estate pledged to the payment of the Bonds be used to pay any other bonds of CCCFA.

*Separate Obligations*

THE BONDS, PREVIOUS BONDS ISSUED BY CCCFA, ANY FUTURE BONDS THAT MAY BE ISSUED BY CCCFA AND ANY FUTURE CONTRACTS THAT CCCFA MAY ENTER INTO TO ACQUIRE ADDITIONAL ENERGY OR ELECTRICITY ARE AND WILL BE SEPARATE AND DISTINCT OBLIGATIONS OF CCCFA. ANY FUTURE BONDS OR CONTRACTS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES PLEDGED BY THE INDENTURE TO THE PAYMENT OF THE BONDS, AND THE BONDS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES DERIVED FROM ANY FUTURE PROJECT, CLEAN ENERGY PROJECT OR CONTRACT OF CCCFA.

*Limited Liability*

CCCFA DOES NOT HAVE THE POWER TO LEVY AD VALOREM PROPERTY TAXES. ALL BONDS ISSUED BY CCCFA ARE PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM ITS ACTIVITIES PURSUANT TO ITS STATUTORY PURPOSES AND POWERS AND IN ACCORDANCE WITH THE APPLICABLE FINANCING DOCUMENTS. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE PLEDGED PURSUANT TO THE INDENTURE.

# COMMUNITY CHOICE AGGREGATORS

*General*

The Project Participant is a "community choice aggregator" pursuant to Section 331.1 of the Public Utilities Code (a "*CCA*"). See APPENDIX A for information with respect to the Project Participant.

*Establishment of Community Choice Aggregators*

A CCA may be established by any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a community-wide Energy buyers' program, and by any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Joint Powers Act, provided in either case that the entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003. "Local publicly owned electric utility" means a municipality or municipal corporation operating as a "public utility" and certain municipal utility districts, public utility districts, irrigation districts, or joint powers authorities that include one or more of these agencies and that owns generation or transmission facilities or furnishes electric services over its own or its members' electric distribution systems.

*Community Choice Service Model*

Once a community forms or joins a CCA, the CCA is the default energy provider in that community. The CCA procures energy for customers in that community, but the investor-owned utility for that community continues to provide transmission, distribution and billing services to customers. Revenues from the sale of energy by the CCA are delivered by the investor-owned utility to the CCA as they are received over the course of the billing period.

*Service Contract Requirements and Registration with the Public Utilities Commission*

CCAs are required to have an operating service agreement with the applicable investor-owned utility prior to furnishing electric service to consumers within its jurisdiction. The service agreement must include performance standards that govern the business and operational relationship between the CCA and the investor-owned utility. CCAs are also required to register with the California Public Utilities Commission (the "*PUC*"), which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters. Once notified of a CCA program, the applicable investor-owned utility is required to transfer all applicable accounts to the CCA within a 30-day period from the date of the close of the utility's normally scheduled monthly metering and billing process.

*Customer Participation and Opt-out Rights*

Participation in a CCA is voluntary. Each local government seeking to form or join a CCA must adopt an appropriate authorizing resolution or ordinance. When a community forms or joins a CCA, customers are given advance notice and have the choice to opt-out of the CCA program prior to or after transition to the CCA, and instead receive Energy from the applicable investor-owned utility. Customers that do not opt-out are automatically enrolled in the program. Customers that opt-out may be subject to a fee.

*Regulatory Compliance*

CCAs are "load-serving entities" and as such are required to comply with the renewable portfolio standards and reliability standards established by the PUC and the California Energy Commission (the "*CEC*") and file integrated resource plans and other periodic reports with the PUC and the California Energy Commission.

*Cost Recovery Related to Transfer of Customers to a CCA*

Although investor-owned utilities do not purchase power for CCA customers, they continue to deliver the power. Investor-owned utilities also have the obligation to provide electric service to customers that opt out of CCA service as the "provider of last resort." In order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, the PUC has established a "power charge indifference adjustment" (the "*PCIA*") applicable to CCA customers. The PCIA is calculated by taking the difference between (i) the "actual portfolio cost" related to utility's power procurement (e.g., utility-owned generation and purchased power), and (ii) the "market value of the portfolio," which is measured by the Market Price Benchmark (the "*MPB*") and the megawatt hours of generation.

The MPB is based on a PUC approved methodology for calculating the current market cost of renewables and natural gas-fueled power. If the investor-owned utility's actual portfolio cost is above-market value, the departing load customers pay their share of the difference in the form of a PCIA based on their power consumption. The amount of the PCIA applicable to a CCA customer depends on when a customer left the investor-owned utility and what the investor-owned utility's portfolio was at the time. Each departing load customer pays the assigned "vintage PCIA." For example, a customer who departed in 2019 pays the "2019 vintage PCIA" which only includes the above market costs of pre-2020 vintage power procured by the investor-owned utility.

In addition to PCIA charges, CCA customers are required to pay certain other "non-bypassable departing load charges", including a nuclear decommissioning charge, a public purpose charge and a cost allocation charge to pay for new resources needed for ongoing system reliability.

## THE COMMODITY SWAPS

*CCCFA Commodity Swap*

CCCFA has entered into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the notional quantities specified in the CCCFA Commodity Swap for each month of such term.

Under the CCCFA Commodity Swap, for each calendar month that the relevant floating price of Energy is greater than the fixed price specified in the CCCFA Commodity Swap on an aggregate net basis for all delivery hours in such month, CCCFA will be obligated to pay to the Commodity Swap Counterparty (on an aggregate net basis for all hours in such month) an amount equal to the product of (x) the difference between the floating price and the fixed price for each such hour multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such hour by the Energy Supplier under the Prepaid Energy Sales Agreement. If the fixed price specified in a CCCFA Commodity Swap is greater than the relevant floating price of Prepaid Energy for on an aggregate net basis for all delivery hours in such month, the Commodity Swap Counterparty will be obligated to pay CCCFA (on an aggregate net basis for all hours in such month) an amount equal to the product of (x) the difference between the fixed price and floating price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such hour by the Energy Supplier under the Prepaid Energy Sales Agreement. If the relevant floating price for a calendar month is equal to the specified fixed price, no payment will be owed by either party to the other under the CCCFA Commodity Swap for such month.

*Energy Supplier Commodity Swap*

The Energy Supplier has entered into a comparable Energy Supplier Commodity Swap with the same Commodity Swap Counterparty under which the Energy Supplier pays a fixed Energy price and receives a floating Energy price for the same notional quantities at the same pricing points.

*Form of Commodity Swaps and Term*

The Commodity Swaps have been entered into as a confirmation under a 2002 ISDA Master Agreement with certain amendments and elections under the Master Agreement that have been agreed to by the parties. The Commodity Swaps have an initial term of two months and thereafter rolling one-month terms that renew automatically upon the payment due date of each monthly net settlement amount due thereunder through the term of the Delivery Period under the Prepaid Energy Sales Agreement unless an early termination date occurs under the Commodity Swaps.

*Payment*

For each month of scheduled deliveries and notional amounts, each party with a net obligation under a Commodity Swap (based on the relative values of the fixed price and relevant index prices) will pay that net obligation to the other party on (x) in the case of the CCCFA Commodity Swap, the 25th day and (y) in the case of the Energy Supplier Commodity Swap, the 23rd day, in each case, of the calendar month following the month to which the applicable day-ahead market prices relate (or if such day is not a business day, either the following business day of such month or the preceding business day, respectively).

*Early Termination*

*General*. Each of the Commodity Swaps will be subject to early termination under certain circumstances. This early termination can be triggered automatically or upon the election by the non-defaulting party or the non-affected party as described below. No settlement or other termination payment (other than previously accrued amounts) would be due to any party as a result of any early termination of either Commodity Swap, except that in the case of any designation by the Energy Supplier of an early termination date under the Energy Supplier Commodity Swap that is conditioned on the termination of the CCCFA Commodity Swap, subject to certain conditions, the Energy Supplier, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a make-whole amount equal to the discounted present value of the fee the Commodity Swap Counterparty would have received for the remainder of the then-current Reset Period (a "*Termination Fee*").

*Automatic Termination of Both Commodity Swaps*. The occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement for any reason would result in the automatic termination of the CCCFA Commodity Swap and the Energy Supplier Commodity Swap. Upon the occurrence of an EMA Early Termination Date and written notice thereof to the Commodity Swap

Counterparty, both the CCCFA Commodity Swap and the Energy Supplier Commodity Swap will terminate automatically as of the EMA Termination Date.

*Automatic Termination of the CCCFA Commodity Swap.* The Energy Supplier's delivery of a notice under the Prepaid Energy Sales Agreement to CCCFA that either (x) the Energy Supplier Commodity Swap has terminated or (y) a notice has been delivered designating an early termination date under the Energy Supplier Commodity Swap, in either case, results in the automatic termination of the CCCFA Commodity Swap concurrently with the termination of the Energy Supplier Commodity Swap.

*Elective Termination of the CCCFA Commodity Swap*. Each of the following events of default and termination events would provide the non-defaulting party or the non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate the CCCFA Commodity Swap if it is not cured within the applicable cure period:

- a party's failure to pay amounts due to the other party under the CCCFA Commodity Swap (notwithstanding any payment from the Custodian to CCCFA under the Energy Supplier Custodial Agreement following the Commodity Swap Counterparty's failure to pay any amounts when due);
- a party becomes subject to certain insolvency events;
- a credit support default occurs with respect to the Commodity Swap Counterparty;
- the Commodity Swap Counterparty's Credit Rating is not at least "Baa3" from Moody's and "BBB-" from S&P, where "*Commodity Swap Counterparty's Credit Rating*" means (a) the credit rating assigned by the applicable rating agency to the senior, unsecured long-term debt obligations (not supported by third party credit enhancements) of BPNA (defined below), or (b) if there is no such rating, then BPNA's issuer rating;
- (i) certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement, (ii) the Receivables Purchase Provisions, or (iii) certain provisions of the Energy Management Agreement related to the termination thereof or MSCG's receivables purchase obligations thereunder, in each case, are modified without the Commodity Swap Counterparty's consent, and the Commodity Swap Counterparty notifies CCCFA (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, the Energy Management Agreement, the CCCFA Commodity Swap and/or the Energy Supplier Commodity Swap;
- CCCFA fails to exercise its right to suspend all energy deliveries under the Power Supply Contract to the Project Participant upon the Project Participant's failure to pay when due any amounts owed to CCCFA thereunder; and
- the Indenture is modified in breach of the Commodity Swap Counterparty's consent rights under the Indenture.

*Automatic Termination of Energy Supplier Commodity Swap*. CCCFA's delivery of a notice under the Prepaid Energy Sales Agreement to the Energy Supplier that either (x) the CCCFA Commodity Swap has terminated or (y) a notice has been delivered designating an early termination date under the Energy Supplier Commodity Swap, in either case, results in the automatic termination of the Energy Supplier Commodity Swap concurrently with the termination of the CCCFA Commodity Swap.

*Elective Termination of the Energy Supplier Commodity Swap*. Each of the following events of default or termination events would provide the non-defaulting party or non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate an Energy Supplier Commodity Swap if it is not cured within the applicable cure period:

- a party's failure to pay amounts due to the other party under the Energy Supplier Commodity Swap;
- a party becomes subject to certain insolvency events;
- credit support default with respect to a party;
- the Commodity Swap Counterparty's Credit Rating is not at least "Baa3" from Moody's and "BBB-" from S&P, with "Commodity Swap Counterparty's Credit Rating" having the meaning described above under *"Elective Termination of the CCCFA Commodity Swap"*;
- (i) certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement, (ii) the Receivables Purchase Provisions or (iii) certain provisions of the Energy Management Agreement related to the termination thereof or MSCG's receivables purchase obligations thereunder, in each case, are modified without the Commodity Swap Counterparty's consent, and the Commodity Swap Counterparty notifies the Energy Supplier (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, the Energy Management Agreement, the Energy Supplier Commodity Swap and/or the CCCFA Commodity Swap;
- the Energy Supplier delivers a notice of termination designating an early termination date under the Energy Supplier Commodity Swap (which must be at least one local business day after the date of such notice), subject to the condition that the CCCFA Commodity Swap must terminate effective as of the same date (provided that, if certain conditions apply, then the Energy Supplier, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee);
- the rights and obligations of the Energy Supplier under the Prepaid Energy Sales Agreement are assigned to another entity, or the rights and obligations of either the Energy Supplier or MSCG under the Energy Management Agreement are assigned to another entity, unless either (a) the Commodity Swap Counterparty consents to such assignment or (b) all of the Commodity Swap Counterparty's rights and obligations under the Energy Supplier Commodity Swap are assigned and novated to another entity. See "THE PREPAID ENERGY SALES AGREEMENT—*Assignment*" above.

*Other Listed Events*. The Commodity Swaps contain other listed events (including breach or repudiation, misrepresentation, illegality and certain tax and credit events) that do not give CCCFA, the Energy Supplier or the Commodity Swap Counterparty the right to designate an early termination date, but which permit the non-defaulting party or the non-affected party to pursue such equitable remedies, including specific performance, as may be available.

*Custodial Agreements*

The Energy Supplier will enter into the Energy Supplier Custodial Agreement to administer payments under the Energy Supplier Commodity Swap. CCCFA will enter into the CCCFA Custodial Agreement to administer payments under the CCCFA Commodity Swap. The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of the Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap and mitigate risks to the Energy Supplier resulting from a failure of the Commodity Swap Counterparty to make payments to the Energy Supplier under the Energy Supplier Commodity Swap.

Payments made by the Energy Supplier under the Energy Supplier Commodity Swap will be made to a custodial account maintained by the Custodian under the Energy Supplier Custodial Agreement. Such amounts will not be released until the Custodian has confirmed that the amount payable to CCCFA by a Commodity Swap Counterparty under the CCCFA Commodity Swap for such month has been paid. If a Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that the Energy Supplier paid under the Energy Supplier Commodity Swap (which amount is held in custody) to the Trustee for deposit in the Revenue Fund and that payment will be treated as a Commodity Swap Receipt. Additionally, if the Energy Supplier Commodity Swap terminates, the Energy Supplier will continue to make payments to the custodial account as if the Energy Supplier Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be used to ensure that CCCFA receives deposits in the Revenue Fund as described in the preceding sentence in the event that the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap.

Payments made by CCCFA under the CCCFA Commodity Swap will be made to a custodial account maintained by the Custodian under the CCCFA Custodial Agreement. Such amounts will be paid to the Commodity Swap Counterparty on each date when due, provided that if, prior to any such date, the Energy Supplier has instructed the Custodian to hold any scheduled payments to the Commodity Swap Counterparty under the CCCFA Commodity Swap, such amounts will not be released until the Custodian has received confirmation that the amount payable to the Energy Supplier by the Commodity Swap Counterparty under the Energy Supplier Commodity Swap for such month has been paid. If the Commodity Swap Counterparty does not make a required payment under the Energy Supplier Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that CCCFA paid under the CCCFA Commodity Swap (which amount is held in custody) to the Energy Supplier. Additionally, if the CCCFA Commodity Swap terminates, CCCFA will continue to make payments to the custodial account as if the CCCFA Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be withdrawn by the Custodian and paid to the Energy Supplier.

## THE COMMODITY SWAP COUNTERPARTY

*Set forth below is certain information regarding the Commodity Swap Counterparty. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Commodity Swap Counterparty obligated to pay any amount owed in respect of the Bonds.*

BP Energy Company ("*BPEC*") is a Delaware corporation and an indirect subsidiary of BP Corporation North America Inc., an Indiana corporation ("*BPNA*"). The obligations of BPEC under the Commodity Swaps are guaranteed by BPNA.

Financial information regarding BPNA is available without charge upon request to: Debt Administration, BP Corporation North America Inc., 501 Westlake Park Blvd., Houston, TX 77079. Telephone and email requests may be directed to 281-800-2346 and treasurydebtadmin@bp.com.

## CONTINUING DISCLOSURE

*CCCFA.* CCCFA will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB's EMMA system for municipal securities disclosures ("*EMMA*"), pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (*"Rule 15c2-12"*) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by CCCFA to comply with the Undertaking will not constitute an event of default under the Indenture or the Bonds and Beneficial Owners of the Bonds shall only be entitled to the remedies for any such failure described in the Undertaking. A failure by CCCFA to comply with the Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Undertaking and commitments of CCCFA described under this heading and in APPENDIX D hereto to furnish the above-described documents and information are agreements and commitments solely of CCCFA, and the Underwriter has no responsibility to ensure that CCCFA complies with any such Undertaking or commitment. In addition, the Underwriter makes no representation that any such documents or information will be furnished, or that any such documents or information so furnished will be accurate or complete, or sufficient for the purposes for which they may be used.

CCCFA has previously entered into continuing disclosure undertakings pursuant to Rule 15c2-12. CCCFA has adopted a written policy that sets forth procedures for compliance with the federal tax and continuing disclosure requirements applicable to its bonds. The policy includes, among other things, procedures that are intended to promote CCCFA's compliance with the Undertaking.

During the five-year period preceding the date of this Official Statement, CCCFA has determined that certain financial information relating to a project participant for its fiscal year ending June 30, 2021 and unaudited financial statements for its fiscal year ending December 31, 2023 were filed late. CCCFA subsequently filed such information and unaudited financial statements on the Municipal Securities

Rulemaking Board Electronic Municipal Market Access System. CCCFA has engaged BLX Group to assist with its continuing disclosure obligations.

*Project Participant.* Pursuant to the Power Supply Contract, the Project Participant has agreed to provide to CCCFA certain annual operating and financial information, which information will enable CCCFA to comply with the Undertaking. Failure of the Project Participant to provide such information is not a default under its Power Supply Contract, but any such failure entitles CCCFA to take such actions and to initiate such proceedings as shall be necessary to cause the Project Participant to comply with its undertaking as set forth in its Power Supply Contract.

## LITIGATION

There are no legal proceedings pending against CCCFA relating to the issuance, sale or delivery of the Bonds which could adversely affect the Clean Energy Project. In addition, there is no litigation pending or, to the knowledge of CCCFA, threatened against or affecting CCCFA or in any way questioning or in any manner affecting the validity or enforceability against CCCFA of the Bonds, the Power Supply Contract, the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Receivables Purchase Provisions, the Debt Service Account Investment Agreement, the Custodial Agreements, the Indenture, or the pledge of the Trust Estate under the Indenture.

The Project Participant reports that there is no litigation pending or, to its knowledge, threatened against it questioning or in any manner affecting the validity or enforceability of the Power Supply Contract.

## FINANCIAL STATEMENTS

CCCFA's audited financial statements for the fiscal year ended December 31, 2024 are available on EMMA, and are hereby incorporated into this Official Statement.

Pursuant to the Undertaking described under "CONTINUING DISCLOSURE" above, CCCFA has agreed to file its audited financial statements and the audited financial statements of the Project Participant, commencing with its audited financial statements for its fiscal year ended December 31, 2025 and the Project Participant's audited financial statements for its fiscal year ended September 30, 2025, on EMMA.

## FINANCIAL ADVISOR

PFM Financial Advisors LLC (the *"Financial Advisor"*) has served as financial advisor to CCCFA in connection with the Clean Energy Project and the Bonds. Among other responsibilities, the Financial Advisor has provided advice and recommendations to CCCFA with respect to the structure, timing, terms of and similar matters relating to the Bonds, bond market conditions, costs of issuance and other matters relating to the Bonds and the Clean Energy Project. The Financial Advisor has also provided advice and recommendations to CCCFA, and has served as CCCFA's "qualified independent representative," with respect to the CCCFA Commodity Swap. The Financial Advisor has reviewed this Official Statement, but has not audited, authenticated or otherwise verified the information set forth herein, and makes no guaranty, warranty or representation with respect to the accuracy and completeness of the information contained in this Official Statement. The Financial Advisor's fees are contingent upon the sale and delivery of the Bonds, and are based, in part, on the proceeds of the Bonds.

## UNDERWRITING

Pursuant to the purchase contract relating to the Bonds between CCCFA and Morgan Stanley & Co. LLC, as the underwriter of the Bonds (the *"Underwriter"*), the Underwriter has agreed, subject to certain conditions to purchase the Bonds from CCCFA at an aggregate purchase price of $925,083,330.07 (representing the principal amount of the Bonds, plus original issue premium of $84,576,174.25, less Underwriter's discount of $3,987,844.18). The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract. The Underwriter is obligated to purchase all the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter. The Underwriter has no obligations other than those that are set forth in the purchase contract. The payment of the Bonds is not guaranteed by the Underwriter.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC (together with its affiliates) is a full service financial institution engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Morgan Stanley & Co. LLC and its affiliates have provided, and may in the future provide, a variety of these services to CCCFA and to persons and entities with relationships with CCCFA, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of CCCFA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with CCCFA. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriter is not acting as financial advisor to CCCFA in connection with the Bonds or the offering or sale of the Bonds.

## CERTAIN RELATIONSHIPS

The Energy Supplier is the prepaid seller under the Prepaid Energy Sales Agreement, the Receivable Purchaser, the electricity purchaser under the Energy Management Agreement, the lender under the Funding Agreement and a party to the Energy Supplier Commodity Swap, and is wholly owned by MSCG. MSCG is the sole member of the Energy Supplier and the electricity seller under the Energy Management Agreement, and is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. LLC, the Underwriter, is a wholly owned subsidiary of Morgan Stanley. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by the Morgan Stanley Guarantee.

Neither the Energy Supplier nor Morgan Stanley has guaranteed or is responsible for the payment of the Bonds.

## RATING

Moody's Investors Service, Inc. has assigned a municipal bond rating of "Aa2" to the Bonds.

CCCFA has furnished to each rating agency that is expected to rate the Bonds certain information, including information not included in this Official Statement, about CCCFA and the Bonds. Generally, a rating agency bases its ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating, once obtained, will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Bonds. CCCFA has not undertaken any responsibility after issuance of the Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

## TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. Such summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). It does not discuss all aspects of federal income taxation that may be relevant to investors in light of their own particular investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (including, but not limited to, dealers in securities or other persons who do not hold the Bonds as a capital asset, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, it does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of purchasing, holding, and disposing of the Bonds.

*Federal Tax Exemption*

In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of CCCFA and continuing compliance by CCCFA with the requirements of the Internal Revenue Code of 1986, as amended (the

"Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" of "applicable corporations" for purposes of computing the alternative minimum tax imposed on such corporations, as such quoted terms are defined in the Code.

The Code contains a number of restrictions and requirements that apply to the Bonds, including, without limitations, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the Bonds and the facilities to be financed or refinanced with such proceeds. CCCFA has covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes (the "Tax Covenants"). Failure to comply with certain of the Tax Covenants could result in the inclusion of the interest on the Bonds in the gross income of the owners for federal income tax purposes, retroactive to the date of issuance of the Bonds or some other date.

*Original Issue Discount*. Certain of the Bonds may be offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of such Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder's tax basis in the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

*Original Issue Premium*. Certain of the Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the bondholder's tax basis for the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

*Information Reporting and Backup Withholding*. A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform "backup withholding" from the interest if the bondholder does not provide an IRS Form W-9 to the payor. "Backup withholding" means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 sets forth the bondholder's taxpayer identification number or basis of exemption from backup withholding.

If a bondholder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the bondholder's federal income tax once the required information is furnished to the Internal Revenue Service.

*No Other Opinions*. Bond Counsel expresses no opinion regarding any other federal tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

*State Tax Exemption*

In the opinion of Bond Counsel, interest on the Bonds is exempt from State personal income taxes. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State.

*General*

These opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

***The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.***

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

## APPROVAL OF LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Ballard Spahr LLP, Bond Counsel to CCCFA. A complete copy of the proposed form of the opinion of Bond Counsel is contained in APPENDIX E to this Official Statement.

Certain legal matters will be passed upon for CCCFA by Ballard Spahr LLP; for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by its counsel, Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP.

CCCFA will receive an opinion from counsel to the Project Participant on the date of original delivery of the Bonds, to the effect that the Power Supply Contract of the Project Participant has been duly authorized, executed and delivered by the Project Participant and constitutes the legal, valid and binding obligation of the Project Participant enforceable in accordance with its terms. The enforceability of the Power Supply Contract may be limited by or subject to applicable bankruptcy, insolvency, moratorium, reorganization, other laws affecting creditors' rights generally and by general principles of equity, public policy and commercial reasonableness.

## MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, estimates or forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material. This Official Statement is not to be construed as a contract or agreement between CCCFA and the purchasers or owners of the Bonds.

The delivery of this Official Statement has been duly authorized by the Board of Directors of CCCFA.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY**

By: */s/ Garth Salisbury*
Treasurer/Controller

# APPENDIX A

# THE PROJECT PARTICIPANT

# SILICON VALLEY CLEAN ENERGY

## General

Silicon Valley Clean Energy ("*SVCE*") is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the "*Joint Powers Act*"), as a "community choice aggregator" ("*CCA*") as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the "*Public Utilities Code*"). For a general description of CCAs in California, see the section "COMMUNITY CHOICE AGGREGATORS" in this Official Statement.

SVCE was created in 2016 under the name "Silicon Valley Clean Energy Authority" as a CCA in California pursuant to a Joint Powers Agreement, as amended, by and among the cities and towns participating in SVCE and named therein. SVCE began providing service to customers in 2017.

Originally created to serve communities in Santa Clara County, SVCE now serves 13 member communities. SVCE offers carbon-free power at stable rates, significantly reducing energy-related greenhouse emissions and enabling millions of dollars of reinvestment in local energy programs. SVCE's mission is to drive increasing access to clean energy, serving the needs of our customers and the well-being of our community by delivering positive environmental impacts and local economic benefits.

## Formation and History of SVCE

*General.* SVCE was formed in March 2016 as a "joint powers authority" to provide electric power and related benefits within its service area, including developing a wide range of renewable energy sources and local clean energy programs. The formation of SVCE was made possible by the passage of California Assembly Bill 117 in 2002, enabling communities to purchase power on behalf of their residents and businesses and creating competition in the electric power market. Under California Public Utilities Commission designations, SVCE (like other CCAs) is a "load-serving entity" to the communities it serves and does not provide transmission, distribution or billing services. Transmission, distribution, and billing services are provided by Pacific Gas and Electric Company ("*PG&E*"). PG&E collects and remits SVCE's billings for electricity to SVCE on a daily basis.

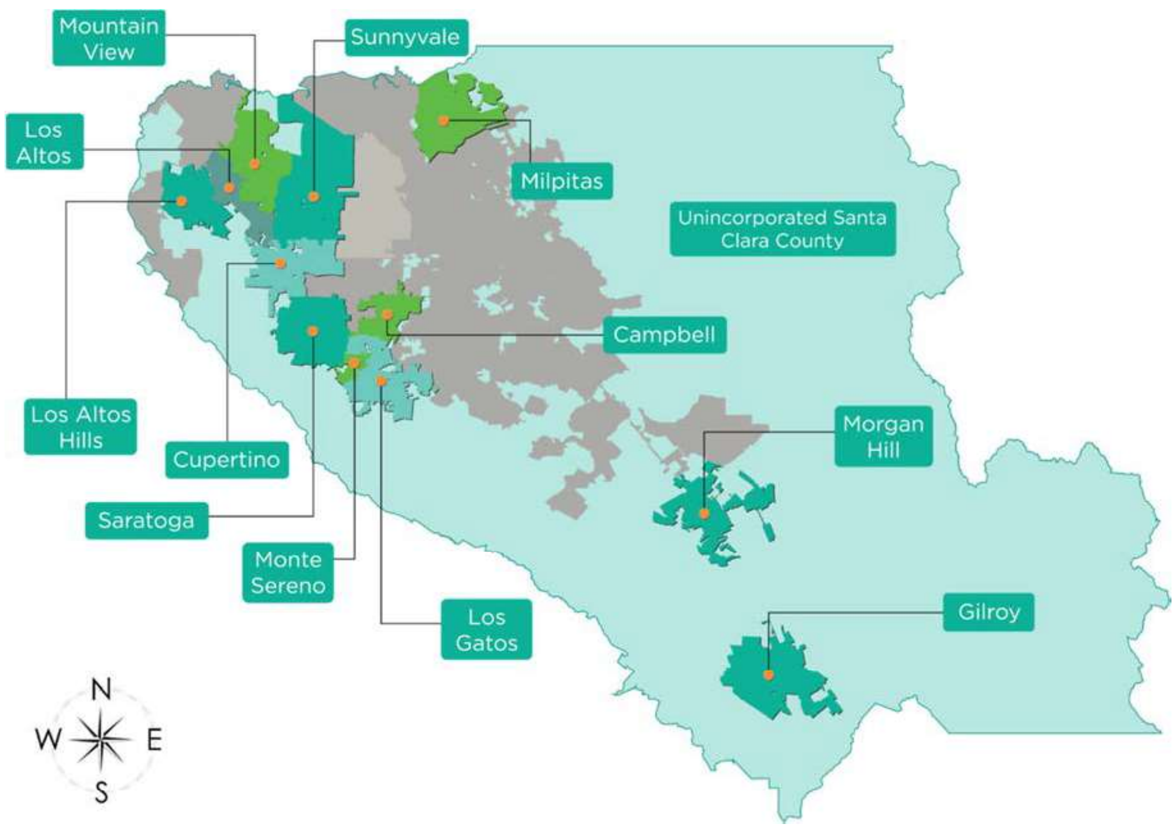
*Commencement of Service and Expansion.* SVCE began serving customers in communities in Santa Clara County in 2017, with the exceptions of the City of Santa Clara and City of Palo Alto, each having its own municipal utility, and the City of San Jose, which established its own CCA. In December 2017, the Board of Directors accepted the City of Milpitas as a new community member and began providing service to them in June 2018. As further described below, SVCE now serves 13 communities.

**Service Area**

*Communities Served by SVCE*. SVCE currently serves 13 jurisdictions in Santa Clara County, as follows:

| | | |
|---|---|---|
| City of Campbell | City of Cupertino | City of Gilroy |
| City of Los Altos | Town of Los Altos Hills | Town of Los Gatos |
| City of Milpitas | City of Monte Sereno | City of Morgan Hill |
| City of Mountain View | City of Saratoga | City of Sunnyvale |
| Unincorporated County of Santa Clara | | |

*Service Area Map*. The service area of SVCE is shown on the map below:




**Governance and Management**

*Board of Directors*. SVCE is governed by its Board of Directors. Each community that has elected to join SVCE appoints a representative to the Board of Directors. Members of the Board of Directors serve at the pleasure of their respective communities. Meetings of the full Board of Directors are scheduled every month. There is also an Executive Committee, a Finance and Administration Committee, an Audit Committee, and an Ad Hoc Regulatory and Legislative Committee, with members appointed by the Board of Directors that review and report to the Board on various matters.

*Management.*

Monica Padilla, Chief Executive Officer. As the Chief Executive Officer of SVCE since April 1, 2024, Monica Padilla works with the elected Board to develop and implement strategies empowering the SVCE team and community to achieve SVCE's decarbonization goals and its mission of reducing fossil fuels and reinvesting in the community. Previously, Monica was the Chief Operating Officer and Director of Powers Resources at SVCE where she led the team responsible for planning and procurement. Since joining SVCE in 2018, Monica and her team helped negotiate and execute more than $3.6 billion in 20 long-term power purchase agreements for clean and renewable projects including solar-plus-storage, geothermal, wind, and long-duration storage resources. Monica also led the effort on behalf of SVCE and seven other CCAs to acquire long-duration storage to help with the integration of intermittent resources and in support of the California grid. Before joining SVCE, Monica worked for the City of Palo Alto Utilities for over 30 years where she was instrumental in developing and implementing Palo Alto's Carbon Neutral Plan in 2013, the first carbon-neutral policy adopted for a municipal utility in California. Monica also represented Palo Alto at several joint action agencies, including the Northern California Power Agency and the Transmission Agency of Northern California and oversaw the contract with Palo Alto's largest supplier – Western Area Power Administration. Monica holds a B.S. in Business from California State University East Bay.

Amrit Singh, Chief Financial Officer and Director of Administrative Services. As the Chief Financial Officer, Amrit oversees and leads the finance, information technology and human resources activities of SVCE. Amrit brings over two decades of experience in the California Energy Markets with extensive experience in managing risks of complex energy procurement portfolios as well as in energy regulation, rate design, and commodity portfolio management. Amrit's prior experiences include serving as Pacific Gas and Electric Company's Senior Director, Market and Credit Risk Management and Senior Director, Revenue Requirements and Rates. Amrit also worked at startup companies and provided strategic consulting in areas of risk management and utility operations. Amrit has an MBA from the University of California, Berkeley, and a BS in Managerial Economics from the University of California, Davis.

Kris Van Vactor, Director of Power Resources. As the Director of Power Resources, Kris leads a team responsible for planning and carrying out the various energy and capacity procurement, management, and reporting needs consistent with SVCE's aggressive greenhouse gas reduction policies, portfolio cost and risk management objectives and California's legislative and regulatory requirements. Kris joined SVCE in August 2022 on the Power Resources Team as SVCE's Wholesale Energy Markets Manager. Kris has over 20 years of experience serving in energy consulting, energy reporting and energy procurement roles for organizations throughout the Western United States. Kris holds a B.S. in Economics from the University of Oregon.

Maren Wenzel, Director of Regulatory, Policy and Planning. As the Director of Regulatory, Policy and Planning, Maren works to ensure the resources procured by SVCE meet the organization's greenhouse gas reduction goals as well as the reliability and policy objectives of the state. Maren has worked on decarbonization and resource planning efforts for utilities across the US since 2015. Immediately prior to SVCE, she worked for PG&E where she focused on electricity system forecasting, including for the Integrated Resource Plan and SB100 Joint Agency efforts. She holds a B.A in International Relations from Mills College and an M.A in International Affairs, with a focus on Energy, Resources and the Environment, from the Johns Hopkins School of Advanced International Studies.

Scott Wrigglesworth, Director of Risk Management and Analytics. Scott serves as Director of Risk Management and Analytics after six years at Ascend Analytics. While with Ascend, Scott led the PowerSIMM team which delivered software models and consulting for risk management, procurement and resource planning to dozens of clients including seven California CCAs (including SVCE). Scott's expertise is in portfolio risk management and he takes an applied focus to the discipline placing emphasis on actionable reporting and clear communication. Prior to Ascend, Scott spent seventeen years at the Dayton Power & Light Company and AES Corporation where he led portfolio analytics for utility, retail and merchant generation portfolios. Scott teaches Energy Markets at the University of Dayton where he's been an adjunct professor for a decade. He earned his MBA from the University of Dayton and holds a bachelors in Global Economics from Cedarville University.

Justin Zagunis, Director of Customer Success. Justin works with the SVCE team to plan and design a platform and portfolio of programs to achieve SVCE's mission of deep decarbonization. He leads efforts in developing, deploying and evaluating innovative programs and technologies related to mobility, the built environment and grid integration and innovation. Prior to SVCE, Justin worked at City of Palo Alto Utilities on demand side management program design, management and evaluation. Justin has a bachelor's degree in environmental engineering from California Polytechnic State University and a master's degree in civil and environmental engineering from Stanford University.

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies. Zoe serves as the head of the Department of Decarbonization Programs and Policy, where she collaborates with a dedicated team to strategize and create a comprehensive platform and assortment of initiatives aimed at advancing SVCE's mission of achieving substantial decarbonization. Her leadership is instrumental in the development, implementation, and assessment of cutting-edge programs and technologies within the spheres of mobility, urban infrastructure, and grid integration and innovation. Zoe supports all customer segments. She is the key contact for Silicon Valley Transportation Electrification Clearinghouse and the Community Energy Resilience Program. Zoe has over a decade of experience leading regional decarbonization and resilience initiatives. She served as Sustainability Manager for the County of Santa Clara, as Associate Director of the Los Angeles Regional Collaborative for Climate Action and Sustainability, and co-founded the California Center for Sustainable Communities at UCLA. Zoe has a Master's Degree in Urban Planning from UCLA where she focused on regional approached to climate action. She also earned a Leadership in Sustainability certificate from UCLA's Anderson School of Management.

Bena Chang, Director of Government and Legislative Affairs: Bena Chang serves as the Director of Government and Legislative Affairs, where she focuses on legislative initiatives and coalition building. Prior to her role at SVCE, Bena held the position of Intergovernmental Relations Director for the City of San Jose, one of the largest cities in the United States, where she advocated for a wide range of municipal policy issues at regional, state, and federal levels, encompassing topics such as homelessness, pandemic response, and clean energy. Additionally, Bena was the Senior Vice President of Transportation, Housing, and Health at the Silicon Valley Leadership Group, where she played a pivotal role in various projects and programs, including a successful 2008 Measure B campaign to secure operational funding for BART in Silicon Valley. Bena holds a degree in English with a minor in Astronomy from Wellesley College.

Gia Ilole, Director of Human Resources: As Director of Human Resources, Gia leads all the people and culture strategies and functions to recruit, retain, engage, and develop the best workforce to support SVCE's programs and operations. Gia has a breadth and depth of experience in HR across public and private agencies, including leading HR, Labor, Procurement and Administration at BART, developing diversity pipeline and workforce development programs at PG&E, as well as heading up HR for the County of Ventura's District Attorney and a Bay Area start-up. Gia is certified as a Senior Professional in Human Resources as well as a Strategic HR Business Partner. Gia attended UC Santa Barbara on an academic scholarship and graduated with Highest Honors in three years with a Bachelor of Arts in Linguistics, minoring in French.

**Customers**

*General.* SVCE provides energy to more than 280,000 residential, commercial, and industrial accounts, serving approximately 700,000 residents and businesses in its service area. The current mix of SVCE's customer base is approximately 34% residential and 66% commercial/industrial by the percentage of load served and 35% residential and 65% commercial/industrial by the percentage of revenue. SVCE's 10 largest customers represent 23% of SVCE's overall load, and none of them individually represent more than 7% of the overall load.

*Customer Energy Choices.* SVCE offers two different energy service choices, called GreenStart and GreenPrime. In 2024, customers receiving GreenStart service were provided with a minimum of 43% renewable energy, sourced from a mix of wind, geothermal, solar, small hydro, and biomass/biowaste, with 36% coming from large hydroelectric facilities. Customers electing to receive GreenPrime service are provided with 100% renewable energy from solar/wind sources. Customers on the GreenPrime Direct service receive a custom mix of supply sources.

*Customer Enrollment.* All customers are automatically enrolled in GreenStart and may change their product after enrollment. Approximately 98.93% of SVCE customers receive GreenStart service, with the remaining approximately 1.07% receiving GreenPrime service. Due to commercial enrollments, GreenPrime customers represent a slightly higher percentage in terms of load (4.81%).

*New Customers.* SVCE has fully subscribed the cities and unincorporated portions of Santa Clara County, with the exceptions of the cities of Santa Clara, San Jose, and Palo Alto, which are served by separate public power providers.

*Customer Election to Opt-out of SVCE Service.* Customers can opt-out of SVCE service and return to service from their traditional electric service provider, PG&E, either initially upon the transition to SVCE or at any time after SVCE becomes the energy provider. For customers enrolled in the SVCE GreenStart program, there is no fee to opt out before their SVCE service starts or within 60 days after your SVCE service starts. After that time, there is a one-time administrative fee ($5 residential and $25 commercial). Customers that opt out and return to PG&E, will not have the option to return to SVCE for a full year and will be subject to PG&E's terms and conditions of service. SVCE has not experienced a single customer opt-out that had a significant financial impact on SVCE's revenues.

*Cumulative Opt-Out Rate and Customer Retention.* Overall, opt-out rates have remained stable throughout the course of SVCE's service history. Opt-outs were at their lowest point in August of 2022 (3.55%). Currently, SVCE opt-outs account for 3.85% of the eligible customer base. On an ongoing basis, most opt-outs occur during the 120-day transition period to SVCE service.

**Service Rates**

*General.* Rates for SVCE energy service are determined by its Board of Directors and are not regulated by the CPUC. In addition to SVCE's charges for energy, customers' rates include amounts for transmission and distribution of electricity established by PG&E, as well as a "power charge indifference adjustment" ("*PCIA*") and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer's bill in the amounts established or imposed.

*Determination of Rates for Energy.* The rates SVCE charges for GreenStart and GreenPrime services are based on the current generation rate charged by PG&E and the current PCIA fee. All value propositions are priced inclusive of the PCIA. GreenStart service is priced at 4% below the cost of PG&E, and GreenPrime is $.017 per kilowatt-hour in addition to the GreenStart rate.

*Current and Historical Rate Information.* An SVCE customer's total cost of electric service is determined by SVCE's charges for energy and includes PG&E charges for transmission, distribution, and other non-by-passable charges. Additionally, SVCE's customers pay a PCIA which can vary annually based on several market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined SVCE, and other considerations.

SVCE has priced its generation rate, inclusive of PCIA, below PG&E's comparable generation rate since the organization's initial enrollments. The primary alternative to SVCE service is to opt-out of SVCE service and return to PG&E service where the customer would pay a generation rate, inclusive of the PCIA, higher than SVCE's rate. SVCE strives to maintain this value as a customer retention tool. Given the nature of an opt-out energy program, there are no assurances that customers will continue service should SVCE's bundled costs become higher than PG&E's or that SVCE customers will not opt-out for reasons unrelated to the cost of service.

**California Renewable Portfolio Standards and Other Regulations**

*General.* Community choice aggregators such as SVCE are "load-serving entities" ("*LSEs*") and as such are required to comply with California's Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

*Renewable Portfolio Standard.* California's Renewable Portfolio Standard ("*RPS*") requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. SVCE's current policy is to procure 100% of retail sales from zero-carbon resources comprised of RPS-eligible resources, such as solar, wind, geothermal and biomass, and zero-carbon non-RPS resources such as large hydroelectricity. SVCE's RPS directive is to exceed California's mandated RPS. SVCE's 2023 retail sales contained 36.7% RPS PCC1 eligible resources for GreenStart service 100% RPS for GreenPrime, and 62.2% for GreenPrime Direct. To date SVCE has executed 19 RPS contracts of ten years or more in duration and has met its RPS requirements for long-term procurement. SVCE intends to solicit additional long-term renewable resources to meet Board-directed goals and as ordered by the CPUC under the Mid-term Reliability Procurement decision (D.21-06-035) and the Supplemental Mid-Term Reliability Procurement Order (D-23-02-040). SVCE has already made significant progress towards procuring its share of the decision's mandated procurement.

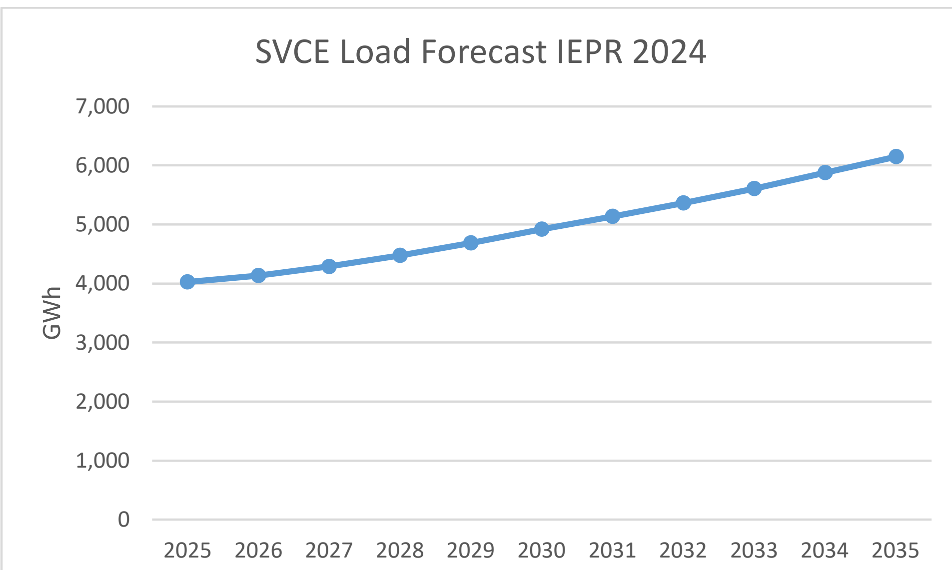
*Resource Adequacy.* Resource Adequacy (*"RA"*), a California program jointly administered by the CPUC, the California Energy Commission (*"CEC"*) and the California Independent System Operator (*"CAISO"*), directs LSEs to secure forward capacity and offer it into the CAISO's Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA, although rules and categories are subject to modification by state agencies. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. SVCE has a strong track record of meeting its RA obligations and expects to meet its future RA obligations in compliance with its Energy Risk Management Policy.

*Integrated Resource Planning.* Integrated Resource Planning (*"IRP"*) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an IRP process to assist with meeting the state's aggressive GHG targets (40% below 1990 levels by 2030). The IRP process, which is used in many states across the US, generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRPs are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC Decision (*"D."*) 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure "Incremental System Capacity," which is RA capacity from nonemitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources.

*Power Source Disclosure.* California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (*"PSDP"*), is a consumer information program managed by the CEC on an annual basis. A key output of the PSDP is the Power Content Label (*"PCL"*). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE's energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year.

**Energy Demand**

*Long-term Load Forecast.* SVCE's long-term load forecast is a 10-year projection of the energy (reflected in MWh) that its customers will annually consume. SVCE's long-term load forecast is driven primarily by the number and types of customers that SVCE expects to serve, in conjunction with weather projections. SVCE's long-term load forecast also incorporates the load-modifying effects of increasing electric vehicle adoption and charging, behind-the-meter solar and/or storage (via net energy metering), and energy efficiency.




*Source IEPR Adopted Numbers 2024

**Sources of Energy**

*General.* SVCE uses a portfolio risk-management approach in its power purchasing program, seeking low-cost supply and diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. SVCE currently has 86 renewable, hydro, system energy, hedge, and Resource Adequacy contracts from diversified sources and counterparties, totaling over $3.9 billion in notional energy contracts to provide energy to its customers over the next 20-25 years.

*Energy Purchases.* In 2024, SVCE procured approximately 3.98 million MWh of electricity for its customers. SVCE anticipates that roughly 100% of its total 2025 retail sales will be sourced from carbon-free resources including renewables, large hydroelectric, and nuclear energy (primarily large hydroelectric energy from the Pacific Northwest, but also relatively small amounts of nuclear energy). SVCE's procurement strategy through 2030 includes regularly procuring new and existing California renewables by 2030 via both short- and long-term contracts. These renewables contracts will be in addition to the 3.066 million MWh of annual generation from 972 MW, or roughly 62.3% of its retail sales in 2030, of new and existing California and neighboring states renewables that SVCE has already procured. The strategy also includes investing in additional storage paired with solar, stand-alone storage, long-duration storage, and large hydroelectric resources.

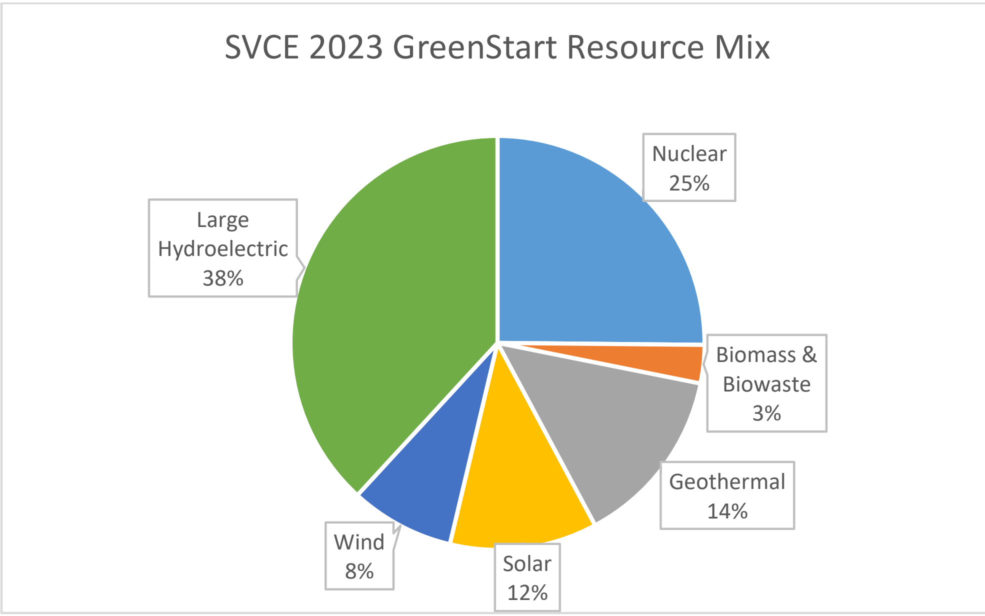
*Energy Load and Supply Risk Management.* SVCE continually manages its forward load obligations and supply commitments to balance cost stability and cost minimization while leaving some flexibility to take advantage of market opportunities or technological improvements that may arise. SVCE closely monitors its open positions for Portfolio Content Category 1 ("*PCC 1*") renewable energy and carbon-free, non-RPS eligible, based on calendar-year targets. SVCE maintains its clean portfolio coverage targets of up to 100% in the near term and leaves a greater portion open in the medium- to long-term, consistent with generally accepted industry practice.

SVCE monitors its positions on a regular basis with its Scheduling Coordinator, who produces a daily and weekly report of positions and pricing along with using sophisticated models to simulate hundreds of market conditions to assess optimal hedge levels and net revenue at risk. SVCE uses fixed-price energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. More specifically, for the volumes and hours where SVCE does not have supply contracts that yield CAISO day-ahead revenue, SVCE uses fixed-price energy contracts where SVCE pays a fixed price per MWh in order to receive a floating price that clears for each hour. This helps hedge SVCE's CAISO day-ahead market price exposure. SVCE employs a laddering hedge strategy for up to five years out, requiring minimum and maximum tolerance bands of percent of load covered with fixed-price and firm volumes of resources. As SVCE procures increasing portions of fixed-price renewables with storage and fixed-price large hydroelectric and ACS energy, SVCE expects to reduce its use of fixed-price energy contracts.

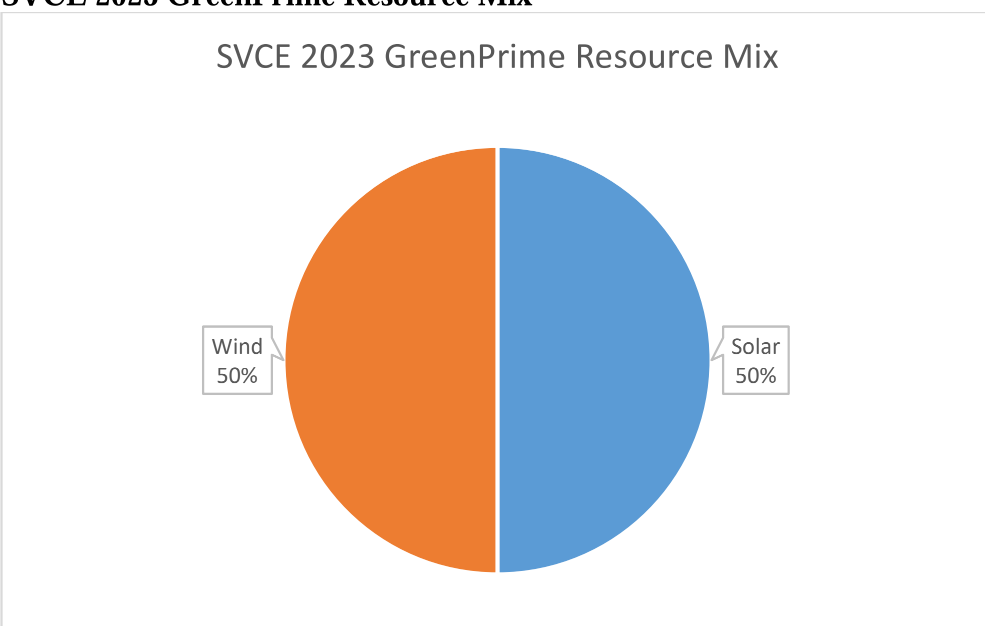
*Procurement.* SVCE procures energy and Resource Adequacy consistent with its Board-approved Energy Risk Management Policy. To effectively plan and manage its portfolio, SVCE differentiates contracts by their term length: short-term and long-term (longer than ten years). Based upon the expected contract tenor, SVCE may use various methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements. With regard to short-term power purchases, SVCE may negotiate bilateral agreements directly, especially for unique or time-sensitive transactions that do not lend themselves to inclusion in a competitive solicitation. Alternatively, particularly in markets with sufficient transparency to ensure competitive outcomes, SVCE may negotiate short-term transactions via its scheduling coordinator or independent energy brokers or marketers.

*GreenStart Procurement Targets*. Reducing GHG emissions is at the heart of SVCE's mission. SVCE's GreenStart and GreenPrime products provide a source of 100% clean, carbon-free energy. GreenStart is offered at 50% RPS-eligible resources and 50% carbon-free, non-RPS-eligible resources, while GreenPrime is comprised of 100% RPS-eligible resources. Both products deliver a higher renewable content and a competitive cost compared to PG&E.

**SVCE 2023 GreenStart Resource Mix***

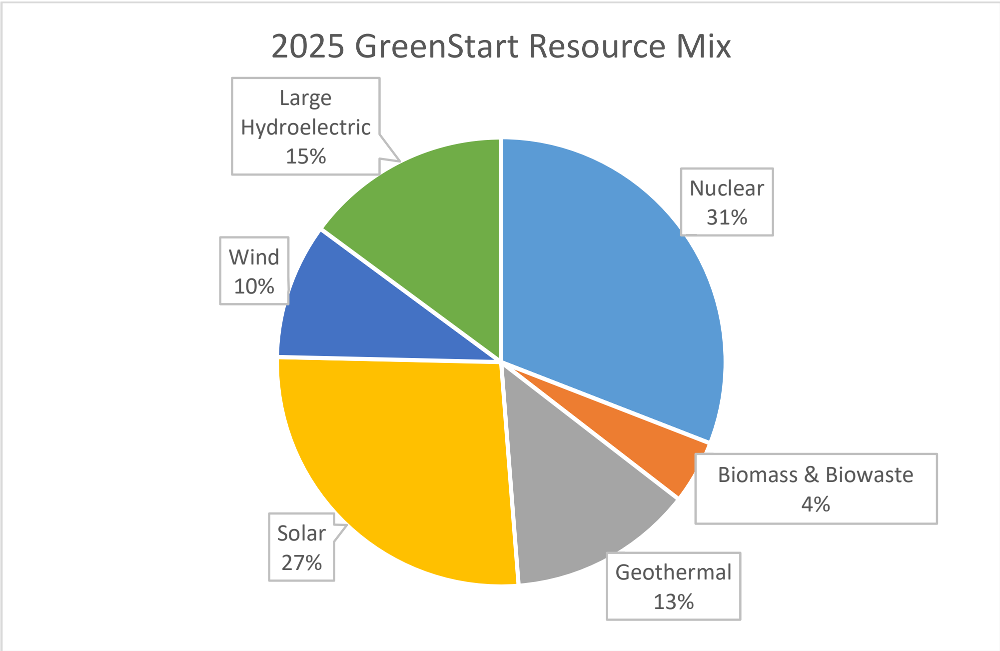



**SVCE 2023 GreenPrime Resource Mix***

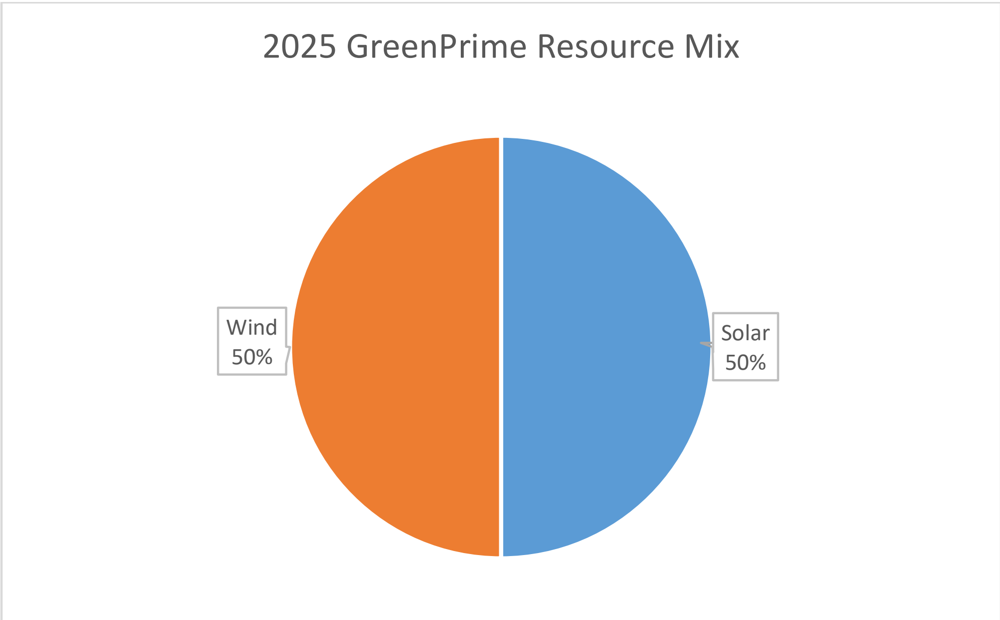



*The charts above are the energy supply that SVCE used to serve its 2023 retail sales for the GreenStart and GreenPrime product offerings

**SVCE 2025 Estimated GreenStart Resource Mix***




**SVCE 2025 Estimated GreenPrime Resource Mix***




*The charts directly above are estimates of the energy supply that SVCE was expected to use to serve its 2025 retail sales for the GreenStart and GreenPrime product offerings.

Further descriptions of SVCE's policies and procedures addressing energy procurement and risk management can be found on the SVCE website at www.svcleanenergy.org. The reference to this website address is presented herein for informational purposes only, and information on such website is not incorporated by reference to this Official Statement.

**SVCE Technology and Analytics**

SVCE's analytics and data management are handled by teams across the organization, consisting of IT personnel, data analysts, and power analysts. SVCE employs a cloud-first data strategy, where all mission-critical data is stored on cloud services, including Box for cloud file storage, Microsoft Office365 for collaboration, and the Google Cloud Platform (GCP) for data warehousing. GCP offers a modern infrastructure for storing, processing, and analyzing sensitive data in the cloud, with encryption by default of data at-rest and in-transit, as well as fine-grained access control to sensitive resources.

In addition to the security infrastructure embedded in GCP, SVCE IT staff also oversee general compliance with rules and regulations established by the California Public Utilities Commission (CPUC) related to data privacy and security. SVCE conducts independent tri-annual audits of its security and data privacy practices – which are submitted to the CPUC – and produces additional data privacy reports for the CPUC annually, in compliance with CPUC regulations. SVCE customer data has not been the subject of any breaches or data security incidents.

Through the guidance from the VCISO, SVCE continually increases its Cyber Security Posture. SVCE analyzes cyber risks identified through audits and security assessments and uses VCISO's guidance to prioritize and roadmap remediations and implementations.

Finally, the IT staff oversees device and application security and related policies. In addition to standard threat mitigation and security measures (such as password policies and antivirus software), SVCE enforces multi-factor authentication (MFA) on all mission-critical applications and employs email screening tools and endpoint security systems.

Ultimately, by using a centralized cloud-first policy for critical resources and attendant applications, enforcing modern security practices such as MFA, and limiting the use of distributed storage devices, SVCE can minimize its exposure to security incidents.

**Energy Storage**

SVCE currently has over 486 MW of 4-hour or longer equivalent wholesale (*i.e.*, in front of the meter) storage capacity contracted over the next twenty years. Of the 486 MW of already contracted storage capacity, 231 MW is paired with solar, 25 MW is 8-hour standalone, 24 MW is 4-hour standalone, 131 MW is paired with a thermal resource, and 75 MW is RA-only. SVCE plans to procure additional solar with storage and standalone storage to meet new procurement mandates.

In 2020, SVCE launched its Lights on Silicon Valley program to deploy customer-sited solar and battery storage systems capable of providing backup power and behind-the-meter dispatch, driving decarbonization, lowering utility costs for program participants, and enabling local grid management through load shaping. This program prioritizes vulnerable customers and populations disproportionately affected by grid outages.

**Financial Information**

*Revenues from Energy Sales and Operating Expenses.* SVCE derives its operating revenues primarily from energy sales to its customers.

*Other Sources of Revenue.* SVCE also receives revenues from sources other than retail customer sales. These sources include wholesale energy sales to other suppliers and grant income used to assist with various customer programs.

*Results of Operations.* The following is a summary of SVCE's results of operations for fiscal years ending September 30:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Operating revenues | $534,489,788 | $503,675,151 | $363,521,534 | $242,600,167 | $297,043,720 |
| Nonoperating revenues | $23,348,067 | $9,262,831 | $1,870,954 | $273,985 | $1,729,841 |
| Total revenues | $557,837,855 | $512,937,982 | $365,392,488 | $242,874,152 | $298,773,561 |
| | | | | | |
| Operating expenses | $397,162,572 | $401,057,113 | $318,708,488 | $257,751,261 | $260,274,619 |
| Nonoperating expenses | $14,224 | $28,576 | $36,126 | $230,632 | $350,511 |
| Total expenses | $397,176,796 | $401,085,689 | $318,744,614 | $257,981,893 | $260,625,130 |
| Change in net position | $ 160,661,059 | $111,852,293 | $46,647,874 | $ (15,107,741) | $38,148,431 |

*Assets, Liabilities, Deferred Inflows or Resources and Net Position.* The following table is a summary of SVCE's assets, liabilities, deferred inflows, and net position for the fiscal years ending September 30:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Current assets | $420,352,985 | $376,699,458 | $270,632,455 | $206,813,185 | $220,538,554 |
| Noncurrent assets | | | | | |
| Capital and lease assets, net | $761,171 | $1,259,365 | $1,681,871 | $2,122,391 | $1,403,175 |
| Other noncurrent assets | $150,052,998 | $56,864,643 | $45,330 | $45,330 | $145,130 |
| Total noncurrent assets | $150,814,169 | $58,124,008 | $1,727,201 | $2,167,721 | $1,548,305 |
| Total assets | $571,167,154 | $434,823,466 | $272,359,656 | $208,980,906 | $222,086,859 |
| Current liabilities | $70,667,155 | $86,003,663 | $51,733,663 | $34,519,867 | $40,094,131 |
| Noncurrent liabilities | $15,303,125 | $24,283,988 | $7,942,472 | $8,425,392 | $1,141,410 |
| Total liabilities | $85,970,280 | $110,287,651 | $59,676,135 | $42,945,259 | $41,235,541 |
| Net position | | | | | |
| Net investment (deficit) in capital assets | $358,431 | $348,144 | $287,728 | $269,927 | $ (172,895) |
| Restricted for security collateral | - | - | - | $4,000,216 | $4,500,000 |
| Unrestricted | $484,838,443 | $324,187,671 | $212,395,793 | $161,765,504 | $176,232,143 |
| Total Net Position | $485,196,874 | $324,535,815 | $ 212,683,521 | $ 166,035,647 | $180,559,248 |

*Deposit Accounts.* SVCE maintains its cash in both interest-bearing and non-interest-bearing demand and term deposit accounts at River City Bank of Sacramento, California, and through the California Asset Management Program ("CAMP") at US Bank of St. Paul, Minnesota. SVCE's deposits with River City Bank are subject to California Government Code Section 16521, which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of $250,000 by 110%. CAMP is a California Joint Powers Authority (JPA) offering professional investment services to public agencies across California, including the use of the Cash Reserve Portfolio (CAMP Pool) and CAMP Term investments, which are accessible to all local agencies in accordance with California Government Code Section 53601(p). As of 2023, SVCE has appointed PFMAM (PFM Asset Management, LLC) as an investment advisor to manage the funds in CAMP accounts in accordance with our current investment policy Section 5. SVCE monitors its risk exposure to both River City Bank and CAMP on an ongoing basis. SVCE's Investment Policy permits the investment of funds in depository accounts, certificates of deposit, and the Local Agency Investment Fund program operated by the California State Treasury, United States Treasury obligations, Federal Agency Securities, California municipal obligations, commercial paper, money market funds, mortgage pass-through and asset-backed securities, supranational obligations, joint power authority pool, and FDIC insured placement service deposits.

*Liquidity.* In September 2024, the SVCE Board of Directors approved increasing the target financial reserve levels to 350 days of cash on hand. SVCE currently provides cash collateral for only one outstanding letter of credit, totaling $147,000.

*Credit Rating.* SVCE has an 'A' issuer credit rating from S&P Global with a stable outlook and has been upgraded to A3 with a stable outlook stable rating from Moody's in 2025.

# APPENDIX B
## DEFINITIONS OF CERTAIN TERMS

"*Account*" or "*Accounts*" means, as the case may be, each or all of the Accounts established in and pursuant to the Indenture.

*"Act"* means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

*"Administrative Fee Fund"* means the Administrative Fee Fund established in the Indenture.

"*Advance*" means the amounts paid to the Trustee, on behalf of CCCFA, pursuant to the Custodial Agreements.

"*Alternate Liquidity Facility*" means a Liquidity Facility for a Series of Bonds delivered to the Trustee in substitution for a Liquidity Facility then in effect with respect to such Bonds.

"*Amortized Value*" means, with respect to any Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond's original reoffering yield (as set forth on the inside cover page of this Official Statement) on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on Appendix H.

"*Annual Quantity*" means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth in the applicable exhibit to the Power Supply Contract for such Contract Year; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate quantities of Base Energy required to be remarketed under the Power Supply Contract for any given Contract Year.

*"Applicable Factor*" means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that the Issuer delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

"*Applicable Spread*" means, with respect to a Series of Bonds for which the Initial Interest Rate Period is an Index Rate Period, or for any Series of Bonds for which the Interest Rate Period is converted to an Index Rate Period, the margin or spread, which may be positive or negative, determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture, on or prior to the Issue Date or Conversion Date for such Bonds, as applicable, and specified in the applicable Supplemental Indenture or Index Rate Determination Certificate or Index Rate Continuation Notice, as applicable, which shall be added to the applicable Index (or the product of the Applicable Factor and the applicable Index, as the case may be) to determine the Index Rate. Once so determined, Applicable Spread shall remain constant for the duration of the applicable Index Rate Period.

*"Assigned Delivery Point"* means the delivery point for Assigned Energy as set forth in the applicable Assignment Agreement.

*"Assigned Energy"* means EPS Compliant Energy assigned pursuant to an Assignment Agreement.

"*Assigned Paygo Quantity*" means any Assigned Products delivered under the Power Supply Contract in excess of the Annual Quantity for any Contract Year.

"*Assigned PPAs*" means the initially Assigned PPAs, and any future power purchase contracts assigned by the Project Participant.

"*Assigned PPA Index Adder*" means the amount (in $/MWh) specified in the Power Supply Contract for each Month of the Delivery Period.

*"Assigned Product"* means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement

*"Assigned RECs"* means any RECs to be delivered to MSCG or the Energy Supplier pursuant to any Assigned Rights and Obligations.

*"Assigned Rights and Obligations"* means a portion of the Project Participant's rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

"*Assignment Agreements*" mean the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"*Assignment Letter Agreements*" means those certain Letter Agreements, dated as of the date of the Prepaid Energy Sales Agreement, by and among MSCG, the Energy Supplier, CCCFA and the Project Participant.

*"Assignment Payment"* means any payment received from the Energy Supplier, or the Master Custodian on its behalf, in connection with an assignment of the Energy Management Agreement to a replacement Seller, as such term is defined in the Energy Management Agreement.

*"Assignment Payment Fund"* means the Assignment Payment Fund established under the Indenture.

"*Authorized Denominations*" means, with respect to the Bonds, denominations of $5,000 and any integral multiple thereof

"*Authorized Newspaper*" means The Wall Street Journal or The Bond Buyer or any other newspaper or journal printed in the English language and customarily published on each Business Day devoted to financial news and selected by CCCFA, with prior written notice to and approval of the Trustee, whose decision shall be final.

"*Authorized Officer*" means (a) the Treasurer/Controller of CCCFA, and (b) any other person or persons designated by the Board by resolution to act on behalf of CCCFA under the Indenture. The designation of such person or persons shall be evidenced by a Written Certificate of CCCFA delivered to a Responsible Officer of the Trustee containing the specimen signature of such person or persons and signed on behalf of CCCFA by its Treasurer/Controller, which incumbency certificate shall be amended by CCCFA, with notice to a Responsible Officer of the Trustee and the Custodian, whenever a person is to be added or deleted from the listing. Such designation as an Authorized Officer shall remain in effect until a Responsible Officer of the Trustee receives actual written notice from CCCFA to the contrary, accompanied by a new certificate.

*"Base Energy"* means Firm (LD) Energy to be delivered to an Energy Delivery Point.

"*Beneficial Owner*" means, with respect to Bonds registered in the Book-Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository, and the term "Beneficial Ownership" shall be interpreted accordingly.

"*Board*" means the Board of Directors of CCCFA, or if said Board is abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Indenture are given by law, and which shall be identified in a Written Notice of the Issuer delivered to the Trustee.

*"Bond Counsel"* means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA.

*"Bond Payment Date"* means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

"*Bond Purchase Fund*" means the fund by that name established pursuant to the Indenture, including the Remarketing Proceeds Account and the Issuer Purchase Account.

"*Bond Registrar*" means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by CCCFA to perform the duties of Bond Registrar under the Indenture.

"*Bondholder*" or "*Holder*" or "*Owner*" means any Person who shall be the registered owner of any Bond or Bonds.

*"Business Day"* means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the cities in which are located the designated corporate trust offices of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day that SIFMA recommends that the fixed income departments of its members be closed for the purposes of trading fixed-income securities.

*"CAISO"* means California Independent System Operator or its successor.

*"Calculation Agent"* means, with respect to any Series of Bonds bearing interest at an Index Rate, the Calculation Agent with respect to such Bonds appointed by the Issuer in a Written Instrument to the Trustee, pursuant to the applicable Calculation Agent Agreement and the Indenture.

"*CCCFA*" or the "*Issuer*" means the California Community Choice Financing Authority.

*"CCCFA Custodial Agreement"* means the Custodial Agreement, dated as of the date of issuance of the Bonds, by and among the Commodity Swap Counterparty, CCCFA, and The Bank of New York Mellon Trust Company, N.A., as Trustee and custodian, as the same may be amended, modified or supplemented from time to time.

*"CCCFA Commodity Swap"* means the ISDA Master Agreement, Schedule and Confirmation between CCCFA and the Commodity Swap Counterparty, or any replacement agreement permitted by the Indenture, pursuant to which CCCFA will pay to the Commodity Swap Counterparty an index based floating price and the Commodity Swap Counterparty will pay to CCCFA a fixed price in relation to the quantities of Energy to be delivered under the Prepaid Energy Sales Agreement.

*"Cede"* means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.09.

*"Clean Energy Project"* means CCCFA's purchase of Energy pursuant to the Prepaid Energy Sales Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Prepaid Energy Sales Agreement.

*"Commercial Paper Interest Rate Period"* means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

*"Commercially Reasonable"* or *"Commercially Reasonable Efforts"* means, with respect to any purchase or sale or other action required to be made, attempted or taken by the Project Participant, CCCFA or the Energy Supplier under the Power Supply Contract or the Prepaid Energy Sales Agreement, as applicable, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

*"Commodity Swap Counterparty"* means BP Energy Company, a Delaware corporation, and its successors and assigns, and the counterparty to any replacement Commodity Swap that meets the requirements of the Indenture.

*"Commodity Swap Payment Fund"* means the Commodity Swap Payment Fund established pursuant to the Indenture.

*"Commodity Swap Payments"* means, as of each scheduled payment date specified in the CCCFA Commodity Swap, the amount, if any, payable to a Commodity Swap Counterparty by CCCFA (including any such amount paid to the Custodian pursuant to the CCCFA Custodial Agreement).

*"Commodity Swap Receipts"* means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to CCCFA by a Commodity Swap Counterparty.

"*Commodity Swaps*" means the CCCFA Commodity Swap and the Energy Supplier Commodity Swap; provided any reference to "Commodity Swap" in Appendix C means the CCCFA Commodity Swap.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking, dated the date of the Indenture, between CCCFA and the Dissemination Agent, as the same may be amended from time to time.

*"Contract Price"* means (i) with respect to Monthly Projected Quantities, (a) the Day-Ahead Average Price for the Month in which Energy is delivered, minus (b) the Monthly Discount, and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

*"Contract Quantity"* means, (a) with respect to the Assigned Energy, the Annual Quantity of Assigned Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for each Contract Year of the Delivery Period and (b) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for any Month, as such exhibits shall be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

*"Contract Year"* means each period of 12 Months from January 1 until December 31 during the Delivery Period.

"*Conversion*" means (a) a conversion of a Series of Bonds from one Interest Rate Period to another Interest Rate Period, (b) with respect to a Series of Bonds bearing interest at an Index Rate, the establishment of a new Index, a new Index Rate and/or a new Index Rate Period and (c) with respect to a Series of Bonds bearing interest in a Term Rate Period, the establishment of a new Term Rate and/or a new Term Rate Period. A Conversion may occur only on a Mandatory Purchase Date.

"*Conversion Date*" means the effective date of a Conversion of a Series of Bonds and shall occur only on a Mandatory Purchase Date.

*"Cost of Acquisition"* means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing the Clean Energy Project, including:

(a) the amount of the prepayment required to be made by CCCFA under the Prepaid Energy Sales Agreement;

(b) the amount for deposit into the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of "Debt Service;"

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture;

(d) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(e) the allowance for working capital requirements of CCCFA with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by CCCFA; and

(f) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

*"CP Interest Term"* means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with the Indenture during which a CP Interest Term Rate is in effect for the Bonds of such Series.

*"CP Interest Term Rate"* means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with the Indenture.

*"Custodial Agreements"* means, collectively, the CCCFA Custodial Agreement and the Energy Supplier Custodial Agreement.

*"Custodian"* means The Bank of New York Mellon Trust Company, N.A., as Custodian under the Custodial Agreements and its successors and assigns.

*"Daily Interest Rate"* means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to the Indenture.

*"Daily Interest Rate Period"* means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

*"Day-Ahead Average Price"* means, for any Assigned Energy in any EPS Energy Period, the result of (i)(x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Assigned PPA Index Adder for the relevant Month.

As used in this definition, "Pricing Interval" means each unit of time for which CAISO establishes a separate price.

*"Day-Ahead Market Price"* means the Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

*"Debt Service"* means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture;

*provided* that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by CCCFA under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

*"Debt Service Account"* means the Debt Service Account in the Debt Service Fund established under the Indenture.

*"Debt Service Fund"* means the Debt Service Fund established in Section 5.02 of the Indenture.

*"Debt Service Fund Agreement"* means any debt service fund agreement, that is a Qualified Investment, among the Trustee, CCCFA and a provider, or between CCCFA and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. The initial Debt Service Fund Agreement shall be the Debt Service Account Investment Agreement between the Issuer and the Investment Agreement Provider, dated November 3, 2025.

*"Debt Service Fund Agreement Guaranty"* means any unconditional guaranty, in favor of CCCFA and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

*"Defeasance Securities"* means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

"*Delivered Product Payment Amount*" means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) (i) the Monthly Projected Quantity under the relevant Assigned PPA for such Month with respect to an undivided assigned PPA or (ii) the sum of the Monthly Projected Quantities for the relevant Assigned PPA with respect to a divided assigned PPA, as applicable, multiplied by the Assigned Product Price (specified in Exhibit A to the Participant Custodial Agreement) for such Assigned PPA; and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivables (as defined in the Prepaid Energy Sales Agreement) that is delivered by the PPA Assignee to the Participant Custodian pursuant to Section 4(e) of the Participant Custodial Agreement. Notwithstanding the foregoing, there shall be no Delivered Product Payment Amount with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

*"Delivery Period"* means the period commencing January 1, 2026 and ending December 31, 2055.

*"Delivery Point"* means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy, as set forth in the Prepaid Energy Sales Agreement.

*"Depository"* means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by CCCFA as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

*"Dissemination Agent"* means that certain dissemination agent appointed by CCCFA, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by CCCFA in accordance with the Continuing Disclosure Undertaking.

*"DTC"* means The Depository Trust Company, New York, New York, and its successors and assigns.

*"Early Termination Date"* means a date designated pursuant to the Prepaid Energy Sales Agreement upon which the Delivery Period will end and CCCFA's and the Energy Supplier's respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement will terminate.

*"Early Termination Payment Date"* means the date payment of a Termination Payment is required to be made by the Energy Supplier under the Prepaid Energy Sales Agreement.

*"Electronic Means"* means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

"*Eligible Bonds*" means any Bonds other than Bonds which a Responsible Officer of the Trustee actually knows to be owned by, for the account of, or on behalf of CCCFA or a Project Participant.

*"EMMA"* means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

*"Energy"* means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

*"Energy Delivery Point"* means the delivery point for Base Energy specified in the Prepaid Energy Sales Agreement.

"*Energy Management Agreement*" means the Energy Management Agreement, dated as of October 22, 2025 between the Energy Supplier and Morgan Stanley Capital Group Inc.

*"Energy Remarketing Reserve Fund"* means the Energy Remarketing Reserve Fund in established under the Indenture.

*"Energy Supplier"* means Energy Prepay IX, LLC, a Delaware limited liability company.

"*Energy Supplier Commodity Swap*" means (i) the transaction entered into under the ISDA Master Agreement, dated as of the date of the Indenture, by the Energy Supplier and the Commodity Swap Counterparty (as supplemented by the confirmation in respect of such transaction and the Credit Support Documents thereto), and (ii) each replacement Energy Supplier Commodity Swap entered into pursuant to the Prepaid Energy Sales Agreement.

*"Energy Supplier Custodial Agreement"* means the Custodial Agreement, dated as of the date of the Initial Issue Date among the Commodity Swap Counterparty, the Energy Supplier, the Trustee, and the Custodian.

"*Energy Supplier Documents*" means (i) the Prepaid Energy Sales Agreement, (ii) the Energy Management Agreement, (iii) the Funding Agreement, (iv) the Master Custodial Agreement, (v) the Energy Supplier LLCA, and (vi) the Seller Swap (as defined in the Prepaid Energy Sales Agreement).

"*Energy Supplier LLCA*" means the Amended and Restated Limited Liability Company Agreement of the Energy Supplier, dated as of October 22, 2025.

*"EPS"* means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

*"EPS Compliant Energy"* means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to the Project Participant.

*"EPS Energy Period"* means the Initial EPS Energy Periods and any subsequent Assignment Periods established by future assignments of power purchase agreements consistent with the Assignment Letter Agreements.

*"Extendable Maturity Bonds*" means the Series 2025F Bonds.

"*Extended Final Maturity Certificate*" means a Written Certificate of the Issuer delivered pursuant to the Indenture.

"*Extended Final Maturity Date*" means the Final Maturity Date set forth in an Extended Final Maturity Certificate; provided that the Extended Final Maturity Date shall be not later than the first day of the second Month following the end of the Delivery Period.

*"Extraordinary Expenses"* means extraordinary and nonrecurring expenses. Termination payments under the CCCFA Commodity Swap shall not be considered an Extraordinary Expense.

"*Failed Remarketing*" means, (a) a failure of the Issuer to (i) establish an Extended Final Maturity Date and to deposit or cause to be deposited with the Trustee an amount equal to the principal amount of the Bonds due on the Final Maturity Date by noon New York City time on the fifth Business Day preceding the Final Maturity Date or (ii) purchase, redeem or pay the Bonds in whole by the Final Maturity Date (including from any funds on deposit in the Assignment Payment Fund and required to be used for such redemption); or (b) after an extension of the Final Maturity Date, a failure of the Trustee to (i) pay the Purchase Price of the Bonds required to be purchased on any Mandatory Purchase Date or (ii) redeem such Bonds in whole on any Mandatory Purchase Date (including from any funds required from an Assignment Payment to the Assignment Payment Fund).

*"Favorable Opinion of Bond Counsel"* means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by the Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

*"Fiduciary"* or *"Fiduciaries"* means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

"*Final Fixed Rate Conversion Date*" means, with respect to a Series of Bonds, the date on which such Bonds begin to bear interest for a Term Rate Period which extends to the Final Maturity Date for such Series of Bonds.

"*Final Maturity Date*" means with respect to the Bonds, (i) initially, November 1, 2033, and (ii) if the Final Maturity Date of the Bonds is extended as provided in the Indenture, the Extended Final Maturity Date set forth in the Extended Final Maturity Certificate.

*"Firm (LD)"* means, with respect to the obligation to deliver Energy, that CCCFA or the Energy Supplier shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

*"Fiscal Year"* means (a) the twelve-month period beginning on January 1 of each year and ending on and including the next December 31, or (b) such other twelve-month period established by CCCFA from time to time, upon Written Notice to the Trustee, as its fiscal year.

*"Fitch"* means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

*"Force Majeure"* means an event or circumstance which prevents the Project Participant, CCCFA or the Energy Supplier from performing its obligations under the Prepaid Energy Sales Agreement or Power

Supply Contract, which event or circumstance was not anticipated as of the execution date, which is not within the reasonable control of, or the result of the negligence of, such party, and which, by the exercise of due diligence, such party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of CCCFA's or the Project Participant's markets; (ii) CCCFA's or the Project Participant's inability economically to use or resell any Energy purchased under the Prepaid Energy Sales Agreement or Power Supply Contract, respectively; (iii) the loss or failure of CCCFA's or the Energy Supplier's supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) CCCFA's or the Energy Supplier's ability to sell the Energy at a higher price. No party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such party (or an upstream supplier with respect to the Energy Supplier or the Project Participant with respect to CCCFA) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure if it affected CCCFA or the Energy Supplier directly, then such event shall be deemed to constitute Force Majeure in respect of the CCCFA or the Energy Supplier, as applicable; (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to the Energy Supplier under the Prepaid Energy Sales Agreement and with respect to CCCFA under the Power Supply Contract, in each case, until the earlier of (A) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by the Energy Supplier or MSCG, as applicable, consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs; and (III) any invocation of Force Majeure by the Energy Supplier under the Prepaid Energy Sales Agreement shall constitute Force Majeure in respect of CCCFA under the Power Supply Contract.

"*Funding Agreement*" means the Investment Agreement by and between the Energy Supplier and the Funding Recipient.

"*Funding Recipient*" means Canadian Imperial Bank of Commerce, acting through its New York Branch.

*"General Reserve Fund"* means the General Reserve Fund established in the Indenture.

*"Government Agency"* means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

*"Government Obligations"* means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody's; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in the Indenture, will result in a rating on the Bonds which are deemed to have been paid pursuant to the Indenture that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that,* the Trustee shall have no responsibility for monitoring any ratings or determining whether any bond, note or other obligation is or continues to be a Government Obligation.

*"Hour"* means each 60-minute period commencing at 00:00 PPT on the first day of the Delivery Period. The term "Hourly" shall be construed accordingly.

*"Hourly Quantity"* means, with respect to each Delivery Hour during a Delivery Period, the quantity (in MWh) of Base Energy set forth in the Prepaid Energy Sales Agreement for the Month in which such Delivery Hour occurs, as updated from time to time in accordance with the Prepaid Energy Sales Agreement.

*"Indenture"* means the Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

*"Index"* means the SIFMA Index or the SOFR Index, as applicable.

*"Index Rate"* means a SIFMA Index Rate or the SOFR Index Rate, as applicable.

*"Index Rate Continuation Notice"* means a Written Notice delivered by the Issuer in the form provided in the Indenture.

"*Index Rate Determination Certificate*" means a Written Certificate delivered by CCCFA in the form attached to the Indenture.

*"Index Rate Period"* means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

"*Index Rate Reset Date*" means, with respect to a Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index Rate Determination Certificate or Index Rate Determination Certificate with respect to such Index Rate Period (including, by way of example and not limitation, Thursday of each week, the first Business Day of each calendar month or the first Business Day of a calendar quarter).

*"Initial Assignment Agreement"* means the Limited Assignment Agreement entered into among the Project Participant, Initial PPA Supplier and MSCG, as from time to time amended, restated, supplemented or otherwise modified.

*"Initial EPS Energy Period"* means the period during which the Initial Assignment Agreement is in effect, which commences on first day of the Initial Reset Period and ends on December 31, 2027.

*"Initial Interest Rate Period"* means, with respect to the Series 2025F Bonds, the period from the date of issuance of the Bonds to and including October 31, 2033.

"*Initial Issue Date*" means the date of initial issuance and delivery of the Bonds.

"*Initial PPA Supplier*" means Clean Power Alliance of Southern California, a California joint powers authority.

"*Interest Accrual Date*" means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

*"Interest Payment Date"* means, with respect to the Series 2025F Bonds, (a) each May 1 and November 1, commencing May 1, 2026, (b) any redemption date for such Bond, (c) any Mandatory Purchase Date for such Bond, and (d) the Maturity Date for such Bond.

*"Interest Rate Period"* means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period. Notwithstanding anything contained in the Indenture to the contrary, all Bonds of a Series shall at all times bear interest in the same Interest Rate Period. All Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

"*Interest Rate Swap*" means the ISDA Master Agreement, the Schedule thereto and the Confirmations thereunder between the Issuer and the Interest Rate Swap Counterparty, and any replacement interest rate swap agreement permitted by the Indenture.

*"Interest Rate Swap Counterparty"* means the Energy Supplier.

*"Interest Rate Swap Payments"* means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Interest Rate Swap Counterparty by CCCFA.

*"Interest Rate Swap Receipts"* means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to CCCFA by the Interest Rate Swap Counterparty.

*"Internal Revenue Code"* means the Internal Revenue Code of 1986, as amended, including the applicable U.S. Treasury Regulations promulgated thereunder.

*"Investment Agreement Provider"* means The Toronto-Dominion Bank, acting through its New York Branch.

"*Issuer Purchase Account*" means the Account by that name in the Bond Purchase Fund.

*"Law"* means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the execution date of the Prepaid Energy Sales Agreement or at any time in the future.

*"Ledger Event"* has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

"*Liquidity Facility*" means, with respect to a series of bonds issued under the Indenture, a standby bond purchase agreement, letter of credit or similar facility providing liquidity support for such series of bonds and any Alternate Liquidity Facility provided in substitution of the foregoing.

"*Liquidity Facility Provider*" means, with respect to a Liquidity Facility for a series of bonds issued under the Indenture, the commercial bank or other financial institution providing the same and any other commercial bank or other financial institution issuing or providing (or having primary obligation for, or acting as agent for the financial institutions obligated under) an Alternate Liquidity Facility.

*"Long-Term PCC1 Product"* means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

*"Mandatory Purchase Date"* means any date on which Bonds are required to be purchased pursuant to the Indenture or are required to be tendered for purchase at the option of the Issuer pursuant to the Indenture.

"*Master Custodial Agreement*" means that certain Master Custodial Agreement, dated as of the date of the Indenture, by and among Seller, Morgan Stanley Capital Group Inc., the Issuer and the Master Custodian, as the same may be amended, modified or supplemented from time to time.

"*Master Custodian*" means The Bank of New York Mellon Trust Company, N.A., as custodian under the Master Custodial Agreement, and its successors as Master Custodian under the Master Custodial Agreement.

*"Maturity Date"* means each date upon which principal of the Bonds is due, as set forth in the Indenture or an Extended Final Maturity Certificate.

*"Maximum Lawful Rate"* means the maximum interest rate permitted by applicable law.

*"Maximum Rate"* means the lesser of 12% per annum and the Maximum Lawful Rate.

*"Minimum Discount"* has the meaning specified in the Power Supply Contract.

"*Minimum Rate*" means 0.00% per annum.

"*Minimum Rating*" means the credit rating of the Funding Recipient or any rating received in connection with a Rating Confirmation.

*"Month"* means a calendar month.

"*Monthly Excess Quantity*" means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

*"Monthly Projected Quantity"* means, with respect to each Assigned PPA and each Month of the Delivery Period, the projected quantity (in MWh) of Assigned Product for such Month as set forth in the Prepaid Energy Sales Agreement and the Power Supply Contract, as updated from time to time in accordance therewith.

*"Moody's"* means Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

*"Morgan Stanley"* means Morgan Stanley, a Delaware corporation.

"*Morgan Stanley Guarantee*" means the guarantee of Morgan Stanley of MSCG's payment obligation under the Energy Management Agreement.

*"MSCG"* means Morgan Stanley Capital Group Inc., a Delaware corporation.

"*Municipal Utility*" means any Person that (a)(i) is a "governmental person" as defined in Treasury Regulation Section 1.141-1(b) and (ii) owns an electric distribution utility (or provides Energy at wholesale to entities described in clause (i) that own such utilities) or (b) is a community choice aggregator organized under the Laws of the State of California. CCCFA may from time to time revise the definition of "Municipal Utility" under the Prepaid Energy Sales Agreement to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Energy Supplier setting forth the revised definition together with an Opinion of Bond Counsel to the effect that such change will not adversely affect the tax-exempt status of the Bonds.

"*MWh*" means a megawatt-hour.

*"Net Participant Shortfall Amount"* means, for any Month in which the Project Participant fails to pay the full amount due under the Power Supply Contract in time for such amount to be credited to the Revenue Fund for application pursuant to the Indenture and the full amount due by the Project Participant is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) the Project Participant's Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) the Project Participant's Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by the Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for the Project Participant for such Month.

"*NY Federal Reserve's Website*" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor website of the Federal Reserve Bank of New York.

"*Operating Expenses*" means, to the extent properly allocable to the Clean Energy Project, (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain the CCCFA Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA, which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the proviso "second" under the heading "Flow of Funds" in the forepart of this Official Statement, Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

*"Operating Fund"* means the Operating Fund established pursuant to the Indenture.

*"Opinion of Bond Counsel"* means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to CCCFA and delivered to the Trustee.

*"Opinion of Counsel"* means an opinion signed by an attorney or firm of attorneys (who may be counsel to CCCFA) selected by CCCFA.

"*Optional Purchase Date*" means any date on which Bonds are to be purchased pursuant to the optional tender provisions of the Indenture.

*"Outstanding"* when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Indenture;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture;

(d) Bonds paid or deemed to have been paid as provided in the Indenture; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

"*Outstanding Sold Receivables*" means, in respect of the Project Participant, Put Receivables that have been sold to the Energy Supplier pursuant to the Receivables Purchase Provisions, together with any interest accrued thereon pursuant to the Receivables Purchase Provisions, less any such Put Receivables and interest thereon that has been previously paid or repurchased from the Energy Supplier pursuant to the Receivables Purchase Provisions.

"*Participant Custodial Agreement*" means that certain Second Consolidated, Amended and Restated Custodial Agreement, dated as of November 3, 2025, by and among the Project Participant, CCCFA, MSES, MSCG and the Participant Custodian, as from time to time amended, restated, supplemented or otherwise modified.

"*Participant Custodian*" means The Bank of New York Mellon Trust Company, N.A., a national banking association.

*"Paying Agent"* means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

*"Payment Deficiency Fixed Baseline"* means, for any Month, the amount the Project Participant would have been required to pay for such Month under its Power Supply Contract if the Contract Price for

such Month had been determined using an Index Price (as defined under its Power Supply Contract) for such Month equal to the Fixed Price (as defined under the Commodity Swap) for such Month.

*"Payment Deficiency Index Baseline"* means, for any Month, the amount required to be paid by the Project Participant for such Month under its Power Supply Contract.

*"PCC1 Product"* means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

"*PCC2 Product*" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

*"Person"* (a) as defined in the Indenture, means any and all natural persons, firms, associations, corporations and public bodies, and (b) as defined in the Power Supply Contract, means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

*"Pledged Funds"* means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund, and (f) the Commodity Swap Payment Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledge thereof in favor of the Commodity Swap Counterparty.

*"Portfolio Content Category 1"* means any Renewable Energy Credit associated with the generation of electricity from an "Eligible Renewable Energy Resource" consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

*"Power Supply Contract"* means (a) each of the contracts for the sale by CCCFA of Energy from or attributable to the Clean Energy Project to the Project Participant, as such contracts may be amended from time to time in accordance with the terms thereof and the Indenture, and (b) any other contract for the sale by CCCFA of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in the Indenture, as such contract may be amended from time to time in accordance with the terms thereof and the Indenture.

"*PPA Assignee*" means MSCG or, to the extent that MSCG is a PPA Supplier under the applicable Assigned PPA, the Energy Supplier, in each case in its capacity as the limited assignee under the applicable Assignment Agreement.

"*PPA Assignee Resettlement Amount*" means, in respect of any PPA Monthly Statement, that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the total Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) (i) the Day-Ahead Market Price during the Initial EPS Energy Period and (ii) the Day-Ahead Average Price during any subsequent EPS Energy Period. Notwithstanding the foregoing, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

"*PPA Monthly Statement*" means the monthly consolidated invoice delivered to PPA Assignee and Project Participant consistent with the terms of the applicable Assignment Agreement.

*"PPA Supplier"* means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreements.

*"PPT"* means Pacific Prevailing Time when such time is applicable and otherwise means Pacific Standard Time.

"*Prepaid Clean Energy Project Administration Agreement*" means the Prepaid Clean Energy Project Administration Agreement by and between CCCFA and the Project Participant, as the same may be amended from time to time.

"*Prepaid Energy Sales Agreement*" means the Prepaid Energy Sales Agreement dated as of October 22, 2025 between the Energy Supplier and CCCFA.

"*Prevailing Market Conditions*" means, without limitation, the following factors: existing short term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes or, as applicable, qualifies the issuer thereof to receive Subsidy Payments or similar benefit; indexes of such short term rates; the existing market supply and demand and the existing yield curves for short term and long term securities for obligations of credit quality comparable to the Bonds, the interest on which is excluded from gross income for federal income tax purposes; general economic conditions and financial conditions that may affect or be relevant to the Bonds; and such other facts, circumstances and conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant to the remarketing of the Bonds at the Purchase Price thereof.

*"Principal Installment"* means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in Section 5.10(c) of the Indenture) of any Sinking Fund Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

*"Project Administration Fee"* means the annual amount, if any, payable by the Project Participant under the Prepaid Clean Energy Project Administration Agreement for the payment of Operating Expenses of CCCFA.

*"Project Fund"* means the Project Fund established under the Indenture.

*"Project Participant"* means (a) SVCE and (b) any other Person that enters into a Power Supply Contract with CCCFA in accordance with the assignment and novation requirements set forth in the Indenture.

*"PSC Remarketing Termination"* means, with respect to any Power Supply Contract, that the relevant Project Participant delivered a valid Remarketing Termination Notice (other than a Voided Remarketing Termination Notice) (as such terms are defined in such Power Supply Contract) in accordance with such Power Supply Contract.

*"Public Agency"* means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

"*Purchase Date*" means an Optional Purchase Date or a Mandatory Purchase Date, as the case may be.

"*Purchase Price*" means (a) with respect to any Purchased Bond to be purchased on an Optional Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date plus accrued and unpaid interest thereon, unless such Optional Purchase Date is an Interest Payment Date for such Bond, in which case interest on such Bond shall not be included in the Purchase Price of such Bond but shall be paid to the Owner of such Bond in accordance with the interest payment provisions of the Indenture, (b) except as provided in clause (c) below, with respect to any Purchased Bond to be purchased on a Mandatory Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date, and (c) in the case of a purchase of a Bond bearing interest at a Term Rate pursuant to the Indenture with respect to which the new Interest Rate Period commences prior to the day originally established as the last day of the preceding Term Rate Period, the optional redemption price for such Bond set forth in the Indenture or in an applicable Supplemental Indenture which would have been applicable to such Bond if the preceding Term Rate Period had continued to the day originally established as its last day. Accrued interest due on any Bonds to be purchased on a Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account of the Debt Service Fund on such date in accordance with the Indenture.

"*Purchased Bonds*" means any Bonds required to be purchased on a Purchase Date.

*"Put Receivable"* has the meaning set forth in the Receivables Purchase Provisions.

*"Qualified Investments"* means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) (i) at least the Minimum Rating or (ii) at such a rating that will allow the Bonds to be rated the same as the credit rating or financial strength rating assigned to the Funding Recipient (except for (c) below), and are at the time authorized for such purpose by law:

(a) Direct obligations of the United States government or any of its agencies;

(b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;

(c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and CCCFA, and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;

(d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period if and to the extent that the obligated party thereunder is rated (or receives credit support from an entity rated) at least a rating which will not impair, or cause the Bonds to fail to retain, the rating then assigned by each Rating Agency rating the Bonds;

(f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;

(g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of CCCFA and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that CCCFA shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

*"Rating Agency"* means Fitch, Moody's or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

*"Rating Category"* means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

"*Rating Confirmation*" means evidence satisfactory to CCCFA, so designated in a Written Statement of CCCFA delivered to the Trustee, that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical, plus or minus, or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.

"*Rebate Payments*" means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

*"Re-Pricing Agreement"* means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and the Energy Supplier.

*"Real-Time Market Price"* means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"*Receivables Purchase Provisions*" means (i) initially, the provisions set forth in Exhibit G to the Prepaid Energy Sales Agreement, and (ii) any successor provisions for the purchase and sale of receivables in respect of amounts due and unpaid under the Power Supply Contract and provided in a Written Notice of the Issuer to the Trustee.

*"Redemption Account"* means the Redemption Account in the Debt Service Fund established in the Indenture.

*"Redemption Price"* means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or the Indenture.

"*Refunding Bonds*" means a series of bonds issued pursuant to the Indenture for the sole purpose of refunding or defeasing in whole any Series of Bonds then Outstanding, and paying the Cost of Acquisition with respect to such Refunding Bonds.

"*Regular Record Date*" means (i) with respect to any Interest Payment Date in respect of any Index Rate Period, the Business Day immediately preceding such Interest Payment Date, and (ii) with respect to any Interest Payment Date in respect of any Term Rate Period, the 15th day of the Month (whether or not such day is a Business Day) immediately preceding the Month in which such Interest Payment Date falls.

"*Remarketing Agent*" means, with respect to any Series of Bonds, the entity appointed as the remarketing agent for such Series pursuant to the related Remarketing Agreement and, if applicable, the related Supplemental Indenture.

"*Remarketing Agreement*" means, with respect to any Series of Bonds, the remarketing agreement, if any, entered into between CCCFA and the Remarketing Agent for such Series of Bonds.

"*Remarketing Proceeds Account*" means the Account by that name within the Bond Purchase Fund.

"*Remarketing Provisions*" means the electricity remarketing provisions set forth in Exhibit C to the Prepaid Energy Sales Agreement.

"*Remediation Remarketing Purchase Price*" has the meaning given to such term in the Remarketing Provisions.

*"Renewable Energy Credit"* or *"REC"* has the meaning specified for "Renewable Energy Credit" in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

*"Reset Period"* means Initial Reset Period or Reset Period, as the case may be, each as defined in the Re-Pricing Agreement.

"*Retained Payment Amount*" means in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Supplier for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any.

*"Responsible Officer"* means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in Section 12.11 of the Indenture (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

*"Revenue Fund"* means the Revenue Fund established under the Indenture.

*"Revenues"* means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project (excluding any payments received by the Issuer in respect of any Monthly Excess Quantities or Assigned Paygo Quantities, each as defined in the Prepaid Energy Sales Agreement);

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA;

(d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and

(e) any Advance received by the Trustee on behalf of CCCFA.

*provided that,* the term "Revenues" shall not include: (i) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (ii) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (iii) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (iv) any Assignment Payment received from the Energy Supplier; (v) Interest Rate Swap Receipts; and (vi) amounts paid by the Project Participant in respect of the Project Administration Fee.

*"S&P"* means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

*"Schedule"*, *"Scheduled"* or *"Scheduling"* means the actions of the Energy Supplier, CCCFA, the Project Participant and/or their designated representatives, including their respective Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

*"Scheduled Debt Service Deposits"* means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date.

*"Securities Depository"* means DTC, or its nominee, and its successors and assigns.

"*Series 2025F Bonds*" or "*Bonds*" means the Clean Energy Project Revenue Bonds, Series 2025F.

*"SIFMA Index"* means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in its commercially reasonable judgment in compliance with the Indenture.

*"SIFMA Index Rate"* means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

*"SIFMA Index Rate Period"* means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

*"Sinking Fund Installment"* means, for the Series 2025F Bonds, the amounts so designated in the Indenture.

"*SOFR Accrual Period*" means (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any Month.

"*SOFR Effective Date*" means each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for all purposes of the Indenture unless the context clearly requires otherwise.

"*SOFR Effective Period*" means the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

"*SOFR*" or "*SOFR Index*" means the "Secured Overnight Financing Rate" reported on the NY Federal Reserve's Website, or reported by any successor to the NY Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing SOFR as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If SOFR is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture.

"*SOFR Index Rate*" means a daily variable interest rate equal to the sum of (1) the product of the SOFR Index and the Applicable Factor, plus (2) the Applicable Spread on each day of a SOFR Effective Period, but not less than the Minimum Rate and not greater than the Maximum Rate.

"*SOFR Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

"*SOFR Interest Calculation Date*" means the first Business Day of each Month.

"*SOFR Lookback Date*" means the third Business Day immediately preceding each SOFR Effective Date.

"*SOFR Publish Date*" means the second Business Day immediately preceding each SOFR Effective Date.

*"Special Tax Counsel"* means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA. Bond Counsel may serve as Special Tax Counsel.

*"Specified Discount"* means the amount specified in the Prepaid Energy Sales Agreement.

*"State"* means the State of California.

"*Subsidy Payments*" means, with respect to a Series of Bonds issued under Section 54AA of the Internal Revenue Code, the amounts relating to such Series of Bonds which are payable by the federal government under Section 6431 of the Internal Revenue Code, which the Issuer has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code, and (b) with respect to a Series of Bonds issued under any other provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable provision of the Internal Revenue Code which CCCFA has elected to receive under the applicable provisions of the Internal Revenue Code.

*"Supplemental Indenture"* means any indenture supplemental to or amendatory of the Indenture executed and delivered by CCCFA and the Trustee in accordance with the Indenture.

"*SVCE*" means Silicon Valley Clean Energy Authority, a joint powers authority organized pursuant to Act.

"*Swap Payment Deficiency*" means, as of any date, (a) the amount of the next Commodity Swap Payment expected to become due, minus (b) the amount on deposit in the Commodity Swap Payment Fund; provided, however, that if such difference is a negative number, then the Swap Payment Deficiency shall be zero.

*"Tax Agreement"* means the Tax Certificate and Agreement of CCCFA with respect to the Bonds dated as of the Initial Issue Date.

"*Term Rate*" means, with respect to a Series of Bonds, a fixed interest rate for each maturity of such Bonds established in under the Indenture.

"*Term Rate Conversion Date*" means, with respect to a Series of Bonds, each date on which such Bonds begin to bear interest at a Term Rate pursuant to the Indenture, including each date on which a new Term Rate Period is established for such Bonds and the Final Fixed Rate Conversion Date with respect to such Bonds.

"*Term Rate Period*" means, with respect to a Series of Bonds, each period during which a Term Rate is in effect for such Bonds.

*"Termination Payment"* means, with respect to any Early Termination Payment Date, the amount specified in the Prepaid Energy Sales Agreement for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount) without any set-off or netting of amounts then due from CCCFA.

"*Transmission Provider(s)*" means any entity or entities transmitting or transporting Energy on behalf of the Project Participant, CCCFA or the Energy Supplier to or from the Delivery Point.

*"Trustee"* means The Bank of New York Mellon Trust Company, N.A. and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to the Indenture.

*"Trust Estate"* means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier (or the Master Custodian on its behalf) pursuant thereto, (f) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (g) all right, title and interest of CCCFA in, to and under any Debt Service

Fund Agreement and Debt Service Fund Agreement Guaranty and (h) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

"*Undelivered Bond*" means any Bond which constitutes an Undelivered Bond under the provisions of the Indenture.

"*Underwriter*" means (a) with respect to the Series 2025F Bonds, Morgan Stanley & Co., and (b) with respect to any other Series of Bonds, the municipal securities broker dealer engaged by CCCFA to underwrite such Series of Bonds.

*"Weekly Interest Rate"* means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with the Indenture.

*"Weekly Interest Rate Period"* means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

*"Written Certificate," "Written Direction," "Written Instrument," "Written Notice," "Written Request"* and *"Written Statement"* of CCCFA means in each case an instrument in writing signed on behalf of CCCFA by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice, Request or Statement of CCCFA, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

(a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of the Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

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# APPENDIX C

## SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture pertaining to the Bonds. Such summary does not purport to be complete and reference is made to the Indenture for full and complete statements of all provisions of the Indenture.

### DEFINITIONS

See "DEFINITIONS OF CERTAIN TERMS" in APPENDIX B for the definitions of terms used but not otherwise defined in this APPENDIX C.

### SUBSEQUENT INTEREST RATE PERIODS

As provided in the Indenture, the term of the Bonds will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at the Daily Interest Rate, the Weekly Interest Rate, CP Interest Term Rates, Term Rates or an Index Rate; *provided, however*, that the Interest Rate Period shall be the same for all Bonds of a Series, and, notwithstanding anything in the Indenture to the contrary, no Bond shall bear interest in excess of the Maximum Rate.

(Section 2.04)

### TERM RATE PERIOD

(a) *Determination of Term Rates*. For each Term Rate Period for a Series of Bonds, (i) the Issuer may by Written Notice to the Trustee delivered in connection with a Term Rate Conversion Date establish one or more Maturity Dates for the Bonds of such Series and Sinking Fund Installments for any maturities of the Bonds of such Series, and (ii) each maturity of the Bonds of such Series shall bear interest at a Term Rate; provided that the Term Rate, Maturity Dates and Sinking Fund Installments for each maturity of Bonds of any Series upon initial issuance of such Bonds, if any, shall be specified in the Indenture or a Supplemental Indenture providing for the issuance of such Series of Bonds. The Term Rate for each maturity of Bonds of a Series bearing interest in the Term Rate Period shall be determined by the Underwriter or the Remarketing Agent, as applicable, on a Business Day no later than the Issue Date or the Term Rate Conversion Date for such Series of Bonds, as applicable. Subject to the provisions of the Indenture described in paragraph (d) below, each Term Rate shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the minimum interest rate which, if borne by the Bonds of the applicable Series and maturity, would enable the Underwriter or the Remarketing Agent, as the case may be, to sell such Bonds and maturity on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, with respect to any Series of Bonds being converted to a Term Rate Period, the Term Rate for such Term Rate Period is not determined by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the Interest Rate Period for the Bonds of the applicable Series shall be a Weekly Interest Rate Period and such Weekly Interest Rate Period shall continue until such time as the Interest Rate Period for such Series of Bonds shall have been converted to a Daily Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period as provided in the Indenture.

(b) *Conversion to or Continuation of Term Rate Period*. Subject to the provisions of the Indenture, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at Term Rates. Such direction of the Issuer shall specify (i) the proposed effective date of the Term Rate Period, which date shall be a Business Day not earlier than the 30th day following receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to the provisions of the Indenture or an applicable Supplemental Indenture; (ii) the last day of such Term Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which both immediately precedes a Business Day and is at least one hundred eighty one (181) days after the effective date of the Term Rate Period; and (iii) with respect to any such Term Rate Period, may specify redemption prices and periods different than those set forth in the Indenture or the applicable Supplemental Indenture providing for the issuance of such Series of Bonds, subject to the Favorable Opinion of Bond Counsel as provided in the provisions of the Indenture described in this paragraph. In addition, such direction shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date and by a form of the notice to be mailed by the Trustee as provided in the provisions of the Indenture described in paragraph (c) below. Upon Conversion of any Series of Bonds to the Term Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of the Indenture, the interest rate or rates borne by such Series of Bonds shall be Term Rates as provided in the Indenture. The day following the last day of any Term Rate Period for a Series of Bonds shall be a Term Rate Tender Date for such Series of Bonds. After the Final Fixed Rate Conversion Date for a Series of Bonds, the Bonds of such Series shall no longer be subject to or have the benefit of the provisions of the Indenture.

(c) *Notice of Conversion to or Continuation of Term Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Term Rate Period as provided in in the provisions of the Indenture described in paragraph (b) above, the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Term Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Term Rate Period. Such notice shall be in the form provided to the Trustee pursuant to the Indenture to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, a Term Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Term Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Term Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture; and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Sale at Premium or Discount*. Notwithstanding the provisions of the Indenture described in paragraph (a) above, the Term Rate for each maturity of any Series of Bonds as initially issued, or the Term Rate for each maturity of any other Series of Bonds upon Conversion to a Term Rate Period, shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the interest rate which, if borne by the Bonds of such Series and maturity, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds of such Series and maturity at a price (without regard to accrued interest) which will result in the lowest net interest cost for the Bonds of such Series and maturity, after taking into account any premium or discount at which the Bonds of such Series and maturity are sold by the Underwriter or the Remarketing Agent, as applicable, provided that: (i) The Underwriter or the Remarketing Agent, as applicable, certifies in writing to the Trustee and the Issuer that the sale of the Bonds of such Series at the interest rate and premium or discount specified by the Underwriter or the Remarketing Agent, as applicable, is expected to result in the lowest net interest cost for such Bonds;

(i) The Issuer consents in writing to the sale of the Bonds of such Series at such premium or discount;

(ii) In the case of the Bonds of such Series to be sold at a premium, the Underwriter or the Remarketing Agent, as applicable, shall transfer the amount of such premium to the Trustee for deposit into such Funds and Accounts as shall be specified in a Written Direction of the Issuer;

(iii) On or before the date of determination of the Term Rates for the Bonds of such Series, the Issuer delivers to the Trustee and the Remarketing Agent a form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date; and

(iv) On or before the Conversion Date, a Favorable Opinion of Bond Counsel shall have been delivered to the Trustee.

(Section 2.07)

PROVISIONS REGARDING INTEREST RATE SWAP

(a) In connection with the issuance of any Variable Rate Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall enter into an Interest Rate Swap with an Interest Rate Swap Counterparty. The following shall apply to the Interest Rate Swap:

(i) The method for the calculation of the Interest Rate Swap Payments and Interest Rate Swap Receipts, as applicable, and the scheduled payment dates therefor are set forth in the Interest Rate Swap;

(ii) Interest Rate Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Debt Service Account on parity with principal and interest payments on Bonds; and

(iii) Interest Rate Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Debt Service Account.

(b) The following shall apply with respect to restrictions on replacement and termination of the Interest Rate Swap:

(i) The Issuer agrees that it will not exercise any right to declare an early termination date under the Interest Rate Swap unless either (A) the Issuer has entered into a replacement Interest Rate Swap in accordance with clause (ii) and (iii) below, and such replacement Interest Rate Swap will be effective as of such early termination date and cover interest rate exposure from and after such early termination date, or (B) in all other cases, the Prepaid Energy Sales Agreement will terminate prior to or as of such early termination date.

(ii) The Issuer may replace the Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty's obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Interest Rate Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Interest Rate Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary.

(Section 2.13)

MANDATORY TENDER FOR PURCHASE ON CONVERSION OF INTEREST RATE PERIOD

Eligible Bonds of a Series shall be subject to mandatory tender for purchase on each Conversion Date (which shall be a Mandatory Purchase Date) at the applicable Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in the Indenture only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery as described in this paragraph or in the notice provided pursuant to the Indenture.

(Section 4.14)

GENERAL PROVISIONS RELATING TO TENDERS

(a) *Creation of Bond Purchase Fund*.

(i) There shall be created and established under the Indenture with the Trustee a fund to be designated the "Bond Purchase Fund" to be held in trust only for the benefit of the Owners of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds. The Bond Purchase Fund and the Accounts therein are not Pledged Funds.

(ii) There shall be created and designated under the Indenture the following Accounts with respect to each Series of Bonds within the Bond Purchase Fund: the "Remarketing Proceeds Account" and the "Issuer Purchase Account." Moneys paid to the Trustee for the purchase of tendered or deemed tendered Bonds of a Series received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account for such Series in accordance with the provisions of the Indenture described under the first paragraph of "*Deposits of Funds*" below and (B) the Issuer shall be deposited in the Issuer Purchase Account in accordance with the provisions of the Indenture described under the second paragraph of "*Deposits of Funds*" below. Moneys provided by the Issuer not required to be used in connection with the purchase of tendered Bonds shall be returned to the Issuer in accordance with the provisions of the Indenture described under "*Deposits of Funds*" and "*Disbursements; Payment of Purchase Price*" below.

(iii) Moneys in the Issuer Purchase Account and the Remarketing Proceeds Account with respect to a Series of Bonds shall not be commingled with other funds held by the Trustee and shall remain uninvested. The Issuer shall have no right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account or any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) *Deposit of Bonds*. The Trustee agrees to hold all Bonds delivered to it pursuant to the Indenture in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Owner in accordance with the provisions of the Indenture and until such Bonds shall have been delivered by the Trustee in accordance with the provisions of the Indenture described under "*Delivery of Purchased Bonds*" below.

(c) *Remarketing of Bonds*.

(i) Immediately upon its receipt, but not later than noon, New York City time on the following Business Day, from an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate of a notice pursuant to the Indenture, the Trustee shall notify the Remarketing Agent by telephone, promptly confirmed in writing by Electronic Means, of such receipt, specifying the principal amount of Bonds for which it has received such notice, the names of the Owners thereof and the date on which such Bonds are to be purchased in accordance with the Indenture.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on a Purchase Date, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, by Electronic Means, of the principal amount of Purchased Bonds to be purchased on such date, the name, address and taxpayer identification number of each such purchaser, and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, and in no event later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent pursuant to "*Delivery of Purchased Bonds*" below.

(iii) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with the Indenture which are not presented to the Trustee on the Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to the Indenture which are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of the Indenture, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) *Deposits of Funds*.

(i) The Trustee shall deposit into the Remarketing Proceeds Account for the applicable Series of Bonds any amounts received by it in immediately available funds by 12:30 p.m., New York City time, on any Purchase Date from the Remarketing Agent against receipt of Bonds by the Remarketing Agent pursuant to the provisions of the Indenture described under "*Delivery of Purchased Bonds*" below and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) The Issuer may, in its sole discretion, pay to the Trustee in immediately available funds the amount equal to the difference, if any, between the total Purchase Price of Bonds to be purchased and the amount of money deposited as described in the preceding paragraph (the "*Additional Liquidity Drawing Amount*") by 12:45 p.m., New York City time. The Trustee shall deposit any Additional Liquidity Drawing Amounts into the Issuer Purchase Account for the applicable Series of Bonds.

(iii) The Trustee shall hold all proceeds received from the Remarketing Agent or the Issuer pursuant to the provisions of the Indenture described under this section entitled "*Deposits of Funds*" in trust for the tendering Owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such Owners by facilitating the purchase of the Bonds and not on behalf of the Issuer and will not be subject to the control of the Issuer. Subject to the provisions of the Indenture described under "*Disbursements; Payment of Purchase Price*" below, following the discharge of the pledge created by the Indenture or after payment in full of the Bonds, the Trustee shall pay any moneys remaining in any Account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such Person is rightfully entitled to such money and the Trustee shall not pay such amounts to any other Person.

(e) *Disbursements; Payment of Purchase Price*. Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 1:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of Purchased Bonds of the applicable Series in immediately available funds as follows in the indicated order of application and, to the extent not so applied on such date, shall be held in the separate and segregated Accounts of the Bond Purchase Fund for the benefit of the Owners of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account for the Bonds of the applicable Series; and

SECOND: Moneys deposited in the Issuer Purchase Account for the Bonds of the applicable Series.

Any moneys held by the Trustee in the Issuer Purchase Account remaining unclaimed by the Owners of the Purchased Bonds which were to have been purchased for two years after the respective Purchase Date for such Bonds shall be paid to the Issuer, upon a request in a Written Direction of the Issuer against written receipt therefor. The Owners of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or the Issuer to the extent moneys have been transferred in accordance with the provisions of the Indenture described under this section entitled "*Disbursements; Payment of Purchase Price*." The Trustee shall have no obligation to advance its own funds to fund the Bond Purchase Fund or otherwise pay the Purchase Price on any Bonds.

(f) *Delivery of Purchased Bonds*.

(i) The Remarketing Agent shall give telephonic notice, promptly confirmed by a written notice, by Electronic Means, to the Trustee on each date on which Bonds shall have been purchased pursuant to the Indenture, specifying the principal amount of such Bonds, if any, sold by it and a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. By 12:30 p.m., New York City time, on the Purchase Date, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Issuer Purchase Account shall be delivered on the day of such purchase by the Trustee to or as directed by the Issuer. The Trustee shall register such Bonds in the name of the Issuer or as otherwise directed by the Issuer.

(Section 4.15)

NOTICE OF MANDATORY TENDER FOR PURCHASE

In connection with any mandatory tender for purchase of Bonds in accordance with the Indenture, the Trustee shall give the notice (which in the case of a mandatory tender pursuant to the provisions of the Indenture described under the section entitled "Mandatory Tender for Purchase on Conversion of Interest Rate Period" above shall be given as a part of the notice given pursuant to certain provisions of the Indenture) stating: (a) that the Purchase Price of any Bond so subject to mandatory tender for purchase shall be payable only upon surrender of such Bond to the Trustee at the office specified in such notice, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (b) that all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, unless (i) a Failed Remarketing shall have occurred on or prior to such Mandatory Purchase Date, in which case such mandatory tender shall be cancelled and the Bonds shall be payable on the Final Maturity Date, or (ii) such Bonds shall have otherwise been redeemed on or prior to, or are not Outstanding as of, such Mandatory Purchase Date; and (c) that in the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof. Any such notice of a mandatory tender of Bonds pursuant to the Indenture shall be given no less than thirty (30) days prior to the applicable Mandatory Purchase Date, and the Trustee shall give a conditional notice of extraordinary redemption pursuant to the Indenture no later than the applicable deadlines set forth therein to provide for the extraordinary redemption of the Bonds if a Failed Remarketing occurs prior to the Mandatory Purchase Date. No later than five (5) Business Days prior to the date on which such conditional notice of extraordinary redemption is required to be given by the Trustee pursuant to the Indenture, the Issuer shall direct the Trustee to send such conditional redemption notice pursuant to a Written Direction, which Written Direction shall include the applicable Redemption Date and method(s) for calculating the Redemption Price, to be followed by notice of the Redemption Price.

(Section 4.16)

THE PLEDGE EFFECTED BY THE INDENTURE

The Bonds and the Interest Rate Swap are limited obligations of the Issuer payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Indenture solely by, the Trust Estate. Pursuant to the Granting Clauses of the Indenture, the Trust Estate has been conveyed, assigned and pledged to the payment of the principal and Redemption Price of and interest on the Bonds and the Interest Rate Swap Payments in accordance with their terms, and any other senior, parity and subordinate obligations of the Issuer secured by the lien of the Indenture, subject to (i) the pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty, and (ii) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Trust Estate thereby pledged and assigned shall immediately be subject to the lien of such pledge without any further physical delivery thereof or other further act, and the lien of such pledge shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

None of the Bonds, the Interest Rate Swap or the Commodity Swap constitute a debt or liability of the State or of any political subdivision thereof, other than as limited obligations of the Issuer, and the Issuer shall not be obligated to pay the principal or Redemption Price of, or interest on, the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments except from the funds provided therefor under the Indenture. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof, including the Issuer, or of the Project Participant is pledged to the payment of the principal or Redemption Price of and interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments. The issuance of the Bonds and the execution and delivery of the Interest Rate Swap and the Commodity Swap shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

Nothing contained in the Indenture shall be construed to prevent the Issuer from acquiring, constructing or financing, through the issuance of its bonds, notes or other evidences of indebtedness, any facilities or supplies of Energy other than the Clean Energy Project; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate or any portion thereof, and neither the cost of such facilities or supplies of Energy nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate or any portion thereof.

(Section 5.01)

ESTABLISHMENT OF FUNDS AND ACCOUNTS

(a) The following Funds and Accounts are established in the Indenture, each of which shall be held by the Trustee except as indicated below:

(i) Project Fund;

(ii) Revenue Fund;

(iii) Operating Fund;

(iv) Debt Service Fund, consisting of the Debt Service Account and the Redemption Account;

(v) Commodity Swap Payment Fund;

(vi) General Reserve Fund;

(vii) Energy Remarketing Reserve Fund, consisting of a Remediation Account;

(viii) Assignment Payment Fund;

(ix) Bond Purchase Fund, consisting of the Issuer Purchase Account and the Remarketing Proceeds Account; and

(x) Administrative Fee Fund.

(b) Within the Funds and Accounts established under the Indenture and held by the Trustee, the Trustee may create additional Accounts in any Fund or subaccounts in any Accounts as may facilitate the administration of the Indenture. The Issuer may, by Supplemental Indenture, with the prior written approval of the Trustee, establish one or more additional accounts or subaccounts. By Supplemental Indenture, the Issuer may also (i) establish custodial accounts to be held by the Trustee as custodian to receive Revenues paid by the Project Participant under the Power Supply Contract, and (ii) provide for the application of such amounts for transfer to the Revenue Fund and for such other purposes as may be specified therein.

(Section 5.02)

PROJECT FUND

(a) There shall be paid into the Project Fund proceeds of the Bonds in the amount specified by Written Request of the Issuer, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with the Clean Energy Project by the Issuer from any other source, unless required to be otherwise applied as provided by the Indenture. Upon delivery of the Bonds, the Trustee shall immediately transfer from the Project Fund into the Debt Service Account an amount, specified by Written Request of the Issuer, representing capitalized interest on the Bonds to the date set forth in such Written Request. Except as otherwise described in this section entitled “Project Fund,” amounts in the Project Fund shall be applied by the Issuer to pay the Cost of Acquisition and any capitalized interest on the Bonds.

(b) Before any payment is made by the Trustee from the Project Fund, the Issuer shall file with the Trustee a Written Request of the Issuer, showing with respect to each payment to be made, the name of the Person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Project Fund. To the extent that the Written Request includes amounts to be paid pursuant to the Prepaid Energy Sales Agreement, copies of the invoices or requests for direct payments submitted under the Prepaid Energy Sales Agreement shall be attached to the Written Request. Each such Written Request shall be sufficient evidence to the Trustee: (i) that obligations in the stated amounts have been incurred by the Issuer and that each item thereof is a proper charge against the Project Fund; and (ii) that there has not been filed with or served upon Issuer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the Persons named in such Written Request which has not been released or will not be released simultaneously with the payment of such obligation other than materialmen’s or mechanics’ liens accruing by mere operation of law.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof from the applicable Account in accordance with and subject to the applicable terms of the Indenture described in this section entitled “Project Fund.”

(d) Notwithstanding any of the other provisions described in this section entitled “Project Fund,” to the extent that other moneys are not available therefor, amounts in Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(e) Upon Written Direction of the Issuer, but not earlier than six months after the date of delivery of the Bonds, the Trustee shall transfer to the Revenue Fund any amounts remaining on deposit in Project Fund.

(Section 5.03)

REVENUES AND REVENUE FUND; OTHER AMOUNTS

(a) All Revenues shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; *provided* that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from the Issuer to the Trustee, the Trustee shall promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the Receivables Purchase Provisions and any remaining amounts received from the Project Participant shall be deposited into the Revenue Fund.

(b) In the event that the Specified Project Participant fails to pay the amount due under the Power Supply Contract, the Trustee shall perform the following actions on behalf of the Issuer under the Receivables Purchase Provisions: (i) provide a preliminary notice by email to the Issuer and the Energy Supplier that a Specified Project Participant will fail to make a payment as soon as practicable after becoming aware that a payment default will occur and in any event no later than the end of the calendar day on which the relevant payment default occurs, and (ii) prepare and deliver to the Energy Supplier a Put Option Notice by 12:00 p.m. New York City time on the Business Day following any such payment default. On the twenty-fourth day of the Month in which such Put Option Notice was delivered (or if such day is not a Business Day, the next Business Day following the twenty fourth day of such Month), the Trustee shall deliver to the Energy Supplier the bill of sale and certificates required by the Receivables Purchase Provisions. The Trustee is authorized under the Indenture to sell the Put Receivables then owed by the Specified Project Participant under the Power Supply Contract pursuant to the Receivables Purchase Provisions and to take all actions on its part necessary in connection therewith. All amounts received by the Trustee pursuant to the Receivables Purchase Provisions in respect of Put Receivables shall be deposited in the Revenue Fund for application pursuant to the Indenture.

(c) Upon receipt of the preliminary notice from the Trustee pursuant to (b)(i) above, the Issuer shall:

(i) in consultation with the Energy Supplier, determine the amount of the Net Participant Shortfall Amount, if any, resulting from such failure to pay; and

(ii) give prompt written notice of the amounts of such Net Participant Shortfall Amount, if any, and the amount of such nonpayment and the resulting Net Participant Shortfall Amount, to the Trustee, the Energy Supplier and the Commodity Swap Counterparty.

(d) The following amounts, which are payable to the Trustee but do not constitute Revenues, shall be applied by the Trustee as follows:

(i) any Termination Payment shall be deposited directly into the Redemption Account of the Debt Service Fund as provided in the Indenture,

(ii) any Assignment Payment shall be deposited directly into the Assignment Payment Fund as provided in the Indenture,

(iii) [Reserved.];

(iv) amounts representing the Project Administration Fee, together with any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement, shall be paid as received by the Issuer into the Administrative Fee Fund;

(v) any Interest Rate Swap Receipts shall be deposited directly into the Debt Service Account as provided in the Indenture; and

(vi) any amounts required by the Indenture to be deposited into the Energy Remarketing Reserve Fund shall be deposited directly therein.

(Section 5.04)

PAYMENTS FROM REVENUE FUND

(a) In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee shall apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

(i) To the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

(ii) Subject to the provisos below, to the Debt Service Fund, not later than the twenty fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in Schedule II attached to the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein);

(iii) To the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

(iv) To the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions.

(b) If, after a scheduled monthly deposit to the Debt Service Account or the Commodity Swap Payment Fund, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II attached to the Indenture or the Commodity Swap Payments due for such month, respectively, the Trustee shall immediately notify the Issuer of such deficiency and the Trustee shall (i) if the Issuer has not previously done so, cause the Issuer to suspend all deliveries of all quantities of Energy under the Power Supply Contract if the Project Participant is in default thereunder, and (ii) promptly give notice to the Energy Supplier to follow the Remarketing Provisions.

(c) On each November 1, beginning November 1, 2026, after (i) the deposit of Revenues into the Revenue Fund and (ii) making such transfers, credits and deposits as required by paragraph (a) above, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

(d) So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

(Section 5.05)

OPERATING FUND

(a) Amounts credited to the Operating Fund shall be applied from time to time by the Trustee to the payment of (i) first, Rebate Payments, and (ii) second, any other Operating Expenses then due and payable.

(b) Amounts credited to the Operating Fund that the Trustee, on the last Business Day of each Month, determines to be in excess of the requirements of such Fund for such Month, shall be applied to make up any deficiencies in the Debt Service Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.06)

DEBT SERVICE FUND – DEBT SERVICE ACCOUNT

(a) The amounts deposited into the Debt Service Account pursuant to the Indenture shall be held in such Account and applied to the payment of the Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date; *provided* that, for the purposes of computing the amount to be deposited in such Account, there shall be excluded from the required deposit the amount, if any, on deposit in the Debt Service Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Fund) for the payment of interest on the Bonds. Such amount set aside shall be applied to Debt Service prior to other monies held within the Debt Service Account.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest on the Bonds payable on such date; (ii) on or before each Bond Payment Date, the Interest Rate Swap Payments then due, (iii) on or before the Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iv) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; provided, however, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from the Issuer to the Trustee that the Issuer intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a Written Request delivered not less than thirty (30) days before the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases and redemptions of any Bonds pursuant to this paragraph (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee in writing. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the thirtieth (30th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for the redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to the provisions of the Indenture described under the section entitled “General Reserve Fund” below which the Issuer has directed the Trustee in writing to apply as a credit against such Sinking Fund Installment as provided in the Indenture. The Trustee shall pay out of the Debt Service Account to the Paying Agent, on or before such redemption date or maturity date, as applicable, the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption or payment, as applicable. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer in such manner as the Issuer shall direct the Trustee in writing from the Operating Fund.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to the Indenture that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to the provisions of the Indenture described under this section entitled “Debt Service Fund – Debt Service Account,” shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established (together with amounts accumulated therein with respect to interest on such Bonds) shall, upon the reasonable prior Written Direction of the Issuer, be applied by the Trustee on or prior to the due date thereof, to (i) the purchase of such Bonds or (ii) the redemption at the principal amount of such Bonds, if then redeemable by their terms. All purchases and redemptions of any Bonds as described in this paragraph shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases and redemptions shall be made in such manner as the Issuer shall determine. The principal amount of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such due date, for the purpose of calculating the amount of such Account.

(e) The amount deposited in the Debt Service Account on the Issue Date of any Series of Bonds from the proceeds thereof shall be set aside and applied to the payment of interest on such Series of Bonds and related Interest Rate Swap Payments.

(f) In the event of the refunding or defeasance of any Bonds, the Trustee shall, if directed by the Issuer in writing, withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless immediately thereafter Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Indenture. In the event of such refunding or defeasance, the Issuer may direct the Trustee to withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts in any Fund or Account under the Indenture; *provided, however*, that such withdrawal shall not be made unless the Bonds being defeased shall be deemed to have been paid pursuant to the Indenture and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Indenture.

(g) Any amount remaining in the Debt Service Account shall, to the extent not required to be retained therein for purposes of making future payments, be deposited in the Revenue Fund.

(Section 5.07)

DEBT SERVICE FUND – REDEMPTION ACCOUNT

(a) In the event of an early termination of the Prepaid Energy Sales Agreement, the Issuer shall direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of the Issuer. The Trustee shall deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the redemption of Outstanding Bonds pursuant to the Indenture.

(b) Any amounts remaining on deposit in the Redemption Account following the redemption and payment of all Outstanding Bonds shall be applied by the Trustee first to pay any Swap Payment Deficiency, second to repurchase any Put Receivables owned by the Energy Supplier, and third, upon Written Direction of the Issuer to the Trustee, shall be transferred to the Revenue Fund.

(c) For the avoidance of doubt, no Extraordinary Expenses shall be paid from the Redemption Account.

(Section 5.08)

COMMODITY SWAP PAYMENT FUND

(a) Amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee to the payment of the Commodity Swap Payments when due.

(b) Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.09)

GENERAL RESERVE FUND

(a) The Trustee shall apply moneys on deposit in the General Reserve Fund in the following amounts and in the following order of priority: first, for deposit into the Debt Service Account, the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in the deposits to such Account described in paragraph (a)(iii) of "Payments from Revenue Fund" above; second, for deposit into the Commodity Swap Payment Fund, the amount necessary to cause the balance therein to equal a Commodity Swap Payment that is then due; and third for deposit into the

Operating Fund, the amount necessary for the payment of any Operating Expenses then due and payable and for which other funds are not available under the Indenture.

(b) Amounts on deposit in the General Reserve Fund not required to meet a deficiency or to make a deposit as provided in paragraph (a) above shall be applied by the Trustee upon the Written Request of the Issuer to the following in the order listed below:

(i) payment of Extraordinary Expenses;

(ii) payment of any fees owed pursuant to any Qualified Investments;

(iii) the repurchase of Put Receivables and the payment of interest on all receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

(iv) annual refunds to the Project Participant pursuant to the Power Supply Contract;

(v) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which the Issuer determines shall be required for such purposes; and

(vi) any other lawful purpose of the Issuer under the Act;

*provided, however*, that, subject to the provisions of paragraph (a) of this section entitled "General Reserve Fund," amounts credited to the General Reserve Fund and required by the Indenture to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) If at any time Bonds of any Series, maturity and tenor for which Sinking Fund Installments shall have been established are (i) purchased or redeemed other than as described in "Debt Service Fund – Debt Service Account" above or (ii) deemed to have been paid pursuant to the Indenture and, with respect to such Bonds which have been deemed paid, irrevocable written instructions have been given by the Issuer to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited under this paragraph (c), the Issuer may from time to time and at any time by Written Direction to the Trustee specify the portion, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such direction shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than thirty (30) days after such written notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(Section 5.10)

ENERGY REMARKETING RESERVE FUND

There shall be paid by the Trustee into the Remediation Account of the Energy Remarketing Reserve Fund, and within such Remediation Account the subaccount applicable to each Project Participant, the amounts, as directed in a Written Direction of the Issuer, specified in the Remarketing Provisions. In the case of a Remediation Remarketing (as defined in the Remarketing Provisions) pursuant to the Remarketing Provisions, amounts shall be released from the applicable subaccount of the Remediation Account upon such remarketing and applied pursuant to a Written Direction of the Issuer as follows: (a) if the proceeds received by the Trustee from the remarketing equal or exceed the Remediation Remarketing Purchase Price, the portion of the applicable subaccount of the Remediation Account allocable to such remarketing shall be transferred to the General Reserve Fund, and (b) if the proceeds received by the Trustee from the remarketing are less than the Remediation Remarketing Purchase Price, then (x) the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund allocable to such remarketing shall be used to make a payment to the Energy Supplier in an amount equal to the excess of such Remediation Remarketing Purchase Price over such proceeds received by the Issuer from the remarketing, and (y) any remaining amounts allocable to such remarketing shall be transferred to the General Reserve Fund. For purposes of the provisions of the Indenture described in this paragraph, the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund specified in writing by the Issuer to the Trustee as the amount allocable to a remarketing shall consist of the product of (i) a fraction, the numerator of which is the purchase price of the Energy to be remarketed, and the denominator of which is the aggregate amount previously received by the Issuer from the sale of such Energy in Non-Private Business Sales (as defined in the Remarketing Provisions) or Private Business Sales (as defined in the Remarketing Provisions) that, as of the time of the remarketing, has not been remediated in accordance with the Remarketing Provisions, multiplied by (ii) the balance of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund at the time of the remarketing.

(Section 5.11)

ASSIGNMENT PAYMENT FUND

In connection with the issuance of Refunding Bonds, any Assignment Payment received from the Energy Supplier (or the Master Custodian on its behalf) shall be deposited into the Assignment Payment Fund to be transferred to the replacement energy supplier, provided, however, that if the existing Bonds have not been redeemed or defeased on or before the Mandatory Purchase Date, in whole, by the Refunding Bonds, all or a portion of the Assignment Payment shall be transferred to the Trustee for deposit as directed by the Issuer in writing to the Redemption Account pursuant to the Indenture, along with the proceeds of the Refunding Bonds, in order to redeem all of the Outstanding Bonds.

(Section 5.12)

PURCHASES OF BONDS

Except as otherwise provided in the Indenture, any purchase of Bonds (or portions thereof) by or at the direction of the Issuer pursuant to the Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Issuer may determine.

(Section 5.13)

ADMINISTRATIVE FEE FUND

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee shall apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of the Issuer directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of the Issuer, the Trustee shall promptly notify each Project Participant, at its respective address shown on Schedule I attached to the Indenture, of the fact and amount of such deficiency.

(Section 5.14)

INVESTMENT OF CERTAIN FUNDS

Moneys held in the Debt Service Account shall be invested and reinvested by the Trustee at the Written Direction of the Issuer to the fullest extent practicable in Qualified Investments specified in such Written Direction which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts and may take the form of a Debt Service Fund Agreement. To the extent moneys held in the Debt Service Account are invested in a Debt Service Fund Agreement, the Issuer covenants and agrees that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with such Debt Service Fund Agreement without the written consent of the Trustee and the delivery to the Trustee of a Rating Confirmation with respect to such amendment. Moneys held in the Revenue Fund and the Project Fund may be invested and reinvested by the Trustee at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund (other than moneys in the Operating Fund held with respect to Rebate Payments) may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature within twelve months or which provide funds as needed; moneys held in the Operating Fund with respect to Rebate Payments shall be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction at fair market value; and moneys in the General Reserve Fund and the Energy Remarketing Reserve Fund may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction; in any case the Qualified Investments in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer and may rely on such investment directions without verifying the suitability or legality of such investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer. The Trustee shall be entitled to rely in good faith on any Written Direction of the Issuer as to the suitability and legality of the directed investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any

Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

Interest earned on any moneys or investments in the Funds and Accounts established under the Indenture shall be paid into the Revenue Fund, other than interest earned on any moneys or investments in (i) the Redemption Account in the Debt Service Fund, (ii) the Operating Fund relating to Rebate Payments, (iii) the Energy Remarketing Reserve Fund, and (iv) the Administrative Fee Fund. Such interest shall be held in such respective Fund or Account for the purposes thereof. If no written investment directions have been delivered to the Trustee for any Fund or Account, moneys shall be held there uninvested by the Trustee.

Nothing in the Indenture shall prevent any Qualified Investments acquired as investments of or security for Funds held under the Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in the Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Funds and Accounts established pursuant to the Indenture through its bond department; provided, however, that the Issuer may, in its discretion, give a Written Direction to the Trustee that such moneys be invested or reinvested in a manner other than through such bond department.

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to the Indenture.

(Section 6.03)

VALUATION AND SALE OF INVESTMENTS

Obligations purchased as an investment of moneys in any Fund created under the provisions of the Indenture shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of the Indenture for any purpose provided in the Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined at the Written Direction of the Issuer to the Trustee as of each Principal Installment payment date and at such other times as the Issuer shall reasonably determine. Guaranteed investment contracts or similar agreements shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to the Indenture.

Except as otherwise provided in the Indenture, the Trustee shall use reasonable efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested to do so by a Written Request of the Issuer. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or the Issuer, the Issuer or the Trustee at the Written Direction of the Issuer shall use reasonable efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer in a Written Direction of the Issuer to the Trustee as necessary to provide sufficient moneys for such payment or transfer. The Issuer acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Issuer the right to receive from the Trustee brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall not be required to provide any brokerage information.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any such investment, sale or presentation for redemption made in the manner provided in the Indenture. In the event of any such loss, fee, tax or other charge, the Issuer shall pay such amount to the Trustee to be credited as part of the monies originally invested.

(Section 6.04)

POWER TO ISSUE BONDS AND PLEDGE THE TRUST ESTATE

The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver the Indenture and to pledge the Trust Estate, in the manner and to the extent provided in the Indenture. Except to the extent otherwise provided in or contemplated by the Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by the Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable limited obligations of the Issuer in accordance with their terms and the terms of the Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all Persons whomsoever.

(Section 7.05)

POWER TO FIX AND COLLECT FEES AND CHARGES FOR THE SALE OF ENERGY

The Issuer has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale of Energy or otherwise with respect to the Clean Energy Project, subject to the terms of the Power Supply Contract.

(Section 7.06)

CREATION OF LIENS

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, the Issuer shall not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the Trust Estate, other than the Bonds and bonds, notes, debentures or other evidences of indebtedness issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and, except as expressly permitted under the terms of the Indenture, shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by the Indenture, the Prepaid Energy

Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments); provided, however, that nothing contained in the Indenture shall prevent the Issuer from entering into or issuing, if and to the extent permitted by law (A) evidences of indebtedness (1) payable out of moneys in the Project Fund as part of the Cost of Acquisition or (2) payable out of or secured by a pledge and assignment of the Trust Estate or any part thereof to be derived on and after such date as the pledge of the Trust Estate provided in the Indenture shall be discharged and satisfied as provided in the Indenture, or (B) Commodity Swap and Interest Rate Swap upon the terms and conditions set forth in the Indenture.

(Section 7.07)

AMENDMENTS TO POWER SUPPLY CONTRACT

The Issuer will not consent or agree to or permit any termination or rescission of, assignment or novation (in whole or in part) by a Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of the Issuer to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay:

(a) The amount estimated by the Issuer to be required to be paid during such Fiscal Year into the Operating Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Issuer anticipates shall be transferred from other Funds or Accounts;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year;

*provided that:*

(i) the Issuer may take any other action under or in connection with the Power Supply Contract that is expressly permitted pursuant to the provisions thereof;

(ii) the Issuer and the Project Participant may amend the Power Supply Contract to change any Delivery Point (as defined and provided therein);

(iii) the Power Supply Contract may be amended upon receipt of (A) a Rating Confirmation with respect to such amendment, and (B) to the extent such amendment would have a material adverse effect (including, but not limited to, a change in the timing of payments, the source of such payments, or the Issuer's rights of collection thereof) upon the Receivables Purchase Provisions or the Commodity Swap, the consent of the Energy Supplier or the Commodity Swap Counterparty, respectively, such consent not to be unreasonably withheld or delayed;

(iv) the Issuer may agree to an assignment or novation of all or a portion of a Project Participant's rights and obligations under the Power Supply Contract upon (A) compliance with the restrictions on assignment set forth in the Power Supply Contract, and (B) receipt of a Rating Confirmation with respect to such assignment or novation; and

(v) the Power Supply Contract may also be amended in connection with a remediation pursuant to the Prepaid Energy Sales Agreement.

(Section 7.10)

POWER SUPPLY CONTRACT; ENERGY REMARKETING

(a) The Issuer shall cause all Revenues payable by the Project Participant under the Power Supply Contract to be payable directly to the Trustee for deposit into the Revenue Fund or custodial accounts established pursuant to the provisions of the Indenture. The Issuer shall enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

(b) In the event that the Project Participant fails to pay when due any amounts owed to the Issuer under the Power Supply Contract, the Issuer shall:

(i) promptly exercise its right to suspend all Energy deliveries to the Project Participant; and

(ii) promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Prepaid Energy Sales Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

(c) In the event that the Project Participant delivers a Remarketing Termination Notice (as defined in the Power Supply Contract) in respect of any Reset Period, then the Issuer will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to the Project Participant.

(d) As of the date of the Indenture, the Power Supply Contract with the Project Participant set forth on Schedule I attached to the Indenture shall be the only Power Supply Contract until such time, if any, that an assignment or novation occurs in accordance with the requirements set forth above. Without prejudice to the rights of the Energy Supplier to remarket Energy under the Prepaid Energy Sales Agreement or to an assignment or novation of the Power Supply Contract in compliance with the provisions of the Indenture described under this section entitled "Power Supply Contract; Energy Remarketing," the Issuer may sell the quantities of Energy to be delivered under the Prepaid Energy Sales Agreement only pursuant to the Power Supply Contract. A copy of the Power Supply Contract and any amendment to the Power Supply Contract, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.11)

PREPAID ENERGY SALES AGREEMENT; ENERGY SUPPLIER DOCUMENTS

(a) The Issuer shall enforce the provisions of the Prepaid Energy Sales Agreement and duly perform its covenants and agreements thereunder.

(b) The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. The Issuer shall provide the Trustee with Written Notice of the Early Termination Payment Date (i) on the date on which a Failed Remarketing occurs, and (ii) in all other cases, not more than five (5) Business Days after such date is determined.

(c) The Issuer will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under the Indenture; *provided* that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Prepaid Energy Sales Agreement may also be amended in connection with a remediation pursuant to the Prepaid Energy Sales Agreement. Copies of the Prepaid Energy Sales Agreement and any amendments thereto, certified by an Authorized Officer, shall be filed with the Trustee.

(d) The Issuer has the right, pursuant to the Energy Supplier LLCA to appoint a director (the "Issuer-Appointed Director") to the board of directors of the Energy Supplier. In any vote that comes before the board of directors of the Energy Supplier regarding the Energy Supplier Documents, the Issuer shall instruct the Issuer-Appointed Director to exercise its voting rights in favor of the Energy Supplier (i) observing and performing its obligations under the Prepaid Energy Sales Agreement and (ii) enforcing the provisions of the other Energy Supplier Documents and (iii) not permitting any assignment of, rescission of or amendment to or waiver of the Energy Supplier Documents which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under the Indenture.

(Section 7.12)

COMMODITY SWAP

The Issuer shall cause all Commodity Swap Receipts and any other amounts payable to the Issuer pursuant to the Commodity Swap to be collected and paid directly to the Trustee for deposit into the Revenue Fund. The Issuer shall enforce the provisions of the Commodity Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Commodity Swap Counterparty under the Commodity Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Commodity Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Commodity Swap in compliance with the Indenture. A copy of the Commodity Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Commodity Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.14)

INTEREST RATE SWAP

The Issuer shall cause all Interest Rate Swap Receipts or other amounts payable to the Issuer pursuant to the Interest Rate Swap to be collected and paid to the Trustee for deposit into the Debt Service Account. The Issuer shall enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Interest Rate Swap Counterparty under the Interest Rate Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Interest Rate Swap in compliance with the Indenture. A copy of the Interest Rate Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Interest Rate Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.15)

TAX COVENANTS

(a) The Issuer covenants in the Indenture that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder or, as applicable, would adversely affect the Subsidy Payments or receipt thereof by the Issuer or the Trustee. Without limiting the generality of the foregoing, the Issuer covenants that it will (i) comply with the instructions and requirements of the Tax Agreement and (ii) exercise commercially reasonable efforts to cause the Bonds to be redeemed (A) in such amount as may be necessary to maintain the exclusion from federal gross income of interest on the Bonds and (B) in whole in the event that interest on the Bonds becomes includible in federal gross income. The Issuer further agrees to follow any directions provided by Special Tax Counsel with respect to any such redemption. Such covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer is of the opinion that for purposes of the provisions of the Indenture described in this section entitled "Tax Covenants" it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Issuer shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of the Indenture described in this section entitled "Tax Covenants," if the Issuer shall provide to the Trustee an Opinion of Special Tax Counsel that any specified action required under the provisions of the Indenture described in this section entitled "Tax Covenants" is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or the qualification of the Issuer to receive Subsidy Payments with respect to the applicable Series of Bonds, the Issuer and the Trustee may conclusively rely on such opinion in complying with the requirements of the provisions of the Indenture described in this section entitled "Tax Covenants" and of the Tax Agreement, and the covenants under the Indenture shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of the Indenture to the contrary, upon the Issuer's failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under the Indenture based upon the Issuer's failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under the provisions of the Indenture described in this section entitled "Tax Covenants," the Trustee shall have the benefit of all of the protective provisions set forth in the Indenture.

(Section 7.18)

EXTENDED FINAL MATURITY DATE

Unless the Issuer (a) redeems the Bonds before their Final Maturity Date pursuant to the Indenture or (b) reasonably concludes that an Acceleration Event or an Energy Delivery Termination Event will occur under the Prepaid Energy Sales Agreement on or before the Final Maturity Date, the Issuer will use its commercially reasonable efforts to (i) either exercise its rights under the Indenture to cause a mandatory tender of the Bonds to occur before the Final Maturity Date or exercise its rights under the Indenture to extend the Final Maturity Date of the Bonds, and (ii) either commence a new Term Rate Period or convert the Bonds to a different Interest Rate Period. The Issuer acknowledges and agrees that its obligations under this section entitled "Extended Final Maturity Date" shall continue in effect until such time as the Final Maturity Date of the Bonds has been extended to the date that corresponds to the end of the Delivery Period under the Prepaid Energy Sales Agreement (i.e., the first day of the second Month following the end of such Delivery Period).

(Section 7.24)

EVENTS OF DEFAULT

Any one or more of the following shall constitute an "Event of Default" under the Indenture:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or tender, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60 day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" under the Indenture is given to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(d) default shall be made in the due and punctual payment of any Commodity Swap Payment or Interest Rate Swap Payment when and as the same shall become due and payable;

(e) the Issuer shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (*provided, however*, that such event shall not constitute an Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Clean Energy Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (*provided, however*, that such event shall not constitute an

Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Issuer and its affairs or a decree or order finding or determining that the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; and

(g) there shall occur any other Event of Default specified in a Supplemental Indenture.

(Section 8.01)

ENFORCEMENT OF AGREEMENTS; APPLICATION OF MONEYS AFTER DEFAULT

(a) The Issuer covenants that, if an Event of Default shall have occurred and be continuing, it shall upon the demand of the Trustee (i) take such additional actions on its part as shall be necessary to cause the Project Participant to make payments of all amounts due under the Power Supply Contract to the Trustee, (ii) take such additional actions on its part as shall be necessary to cause the Commodity Swap Counterparty to make payment of all amounts due under the Commodity Swap directly to the Trustee, (iii) take such additional actions on its part as shall be necessary to cause the Interest Rate Swap Counterparty to make payment of all amounts due under the Interest Rate Swap directly to the Trustee, (iv) execute and deliver such additional instruments that may be necessary to establish or confirm its pledge and assignment to the Trustee of its rights and remedies afforded the Issuer under the Power Supply Contract, and (v) pay over or cause to be paid over to the Trustee any Revenues which have not been paid directly to the Trustee as promptly as practicable after receipt thereof. In addition, to secure its obligations under the Indenture, the Issuer irrevocably pledges and collaterally assigns to the Trustee the Issuer's rights to issue notices (including notices to direct the remarketing of Energy) and to take any other actions that the Issuer is required or permitted to take under the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap and the Interest Rate Swap, and, while an Event of Default has occurred and is continuing under the Indenture, the Trustee is authorized and directed, and shall have the authority, to take any such actions as it deems necessary under the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap and the Interest Rate Swap. Notwithstanding this authorization, the Issuer shall retain, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights which it has pledged and collaterally assigned to the Trustee in accordance with the foregoing; provided, however, if an Event of Default has occurred and is continuing, the Trustee shall have the right to notify the Issuer to cease exercising such rights and, upon receipt of such notice with a copy provided to the Energy Supplier under the Prepaid Energy Sales Agreement, the Project Participant under the Power Supply Contract, and the Commodity Swap Counterparty under the Commodity Swap, subject to the rights of the Energy Supplier with respect to the Power Supply Contract as set forth in the Receivables Purchase Provisions, the Trustee shall have exclusive authority to exercise such rights until such time as the Event of Default has been cured pursuant to the terms of the Indenture or the Trustee issues a subsequent notice otherwise. For the avoidance of doubt, the Prepaid Energy Sales Agreement, the Power Supply Contract and the Commodity Swap may be amended at any time for changes in Delivery Points as provided therein, without the consent of the Bondholders, any parties other than those to the relevant agreement, and without the provision of opinions or other process under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of Article VIII of the Indenture in accordance with Article V of the Indenture, after the payment of the fees, charges, expenses and liabilities of the Fiduciaries (including court costs and the fees and expenses of the Fiduciaries' counsel) payable to or incurred by the Fiduciaries in connection with the performance of their duties and the exercise of their rights under the Indenture, provided that (1) moneys held in the Debt Service Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds and the payment of Interest Rate Swap Payments then due under the Interest Rate Swap, (2) moneys in the Commodity Swap Payment Fund shall be used first to pay any Commodity Swap Payments then due, (3) moneys held in the General Reserve Fund shall not be used other than for the payment of the items specified under the Indenture, and (4) moneys held in the Administrative Fee Fund shall not be used other than as specified in the Indenture.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable charges, expenses and liabilities of the Fiduciaries, and all other sums payable or secured by the Issuer under the Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Issuer, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Indenture, particularly the terms of the Indenture described under "Establishment of Funds and Accounts" above, to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such payment over to the Issuer by the Trustee nor restoration of the Issuer and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

(Section 8.03)

APPOINTMENT OF RECEIVER

The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Clean Energy Project.

(Section 8.04)

PROCEEDINGS BROUGHT BY TRUSTEE

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power granted pursuant to the Indenture, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

(b) All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

(Section 8.05)

RESTRICTION ON BONDHOLDERS' ACTION

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Holders of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of the Indenture.

(b) Nothing in the Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay only from the Trust Estate, in accordance with the terms of the Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

(Section 8.06)

REMEDIES NOT EXCLUSIVE

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of the Indenture.

(Section 8.07)

EFFECT OF WAIVER AND OTHER CIRCUMSTANCES

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in the Indenture, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(Section 8.08)

NOTICE OF DEFAULT

The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer.

(Section 8.09)

SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF BONDHOLDERS

The Issuer and the Trustee may from time to time, subject to the conditions and restrictions contained in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part of the Indenture, without the consent of the Bondholders for any one or more of the following purposes:

(i) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(ii) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect;

(iii) To make any other modification or amendment of the Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders or the Interest Rate Swap Counterparty; and in making such a determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants;

(iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(v) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(vi) To authorize the issuance of Refunding Bonds;

(vii) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given under the Indenture to the Holders of such coupon Bonds, which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(viii) To provide for the execution of a Commodity Swap in accordance with the provisions of the Indenture;

(ix) To provide for a Liquidity Facility and Liquidity Facility Provider in accordance with the provisions of the Indenture;

(x) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Indenture of the Revenues or of any other moneys, securities or funds;

(xi) To add to the Events of Default in the Indenture additional Events of Default;

(xii) To add to the Indenture any provisions relating to the application of interest earnings on any Fund or Account under the Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(xiii) To evidence the appointment of a successor Trustee; or

(xiv) If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.

Each Supplemental Indenture authorized by this section entitled “Supplemental Indentures not Requiring Consent of Bondholders” shall become effective as of the date of its execution and delivery by the Issuer and the Trustee or such later date as shall be specified in such Supplemental Indenture.

A Supplemental Indenture will be deemed to not materially adversely affect the Holders of any Bonds that are subject to mandatory tender on or before the effective date of the Supplemental Indenture.

(Section 10.01)

GENERAL PROVISIONS

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the Indenture relating to amendments. Nothing contained in the provisions of the Indenture relating to amendments shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Indenture or the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by the Indenture may be entered into between the Issuer and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided under the Indenture. A copy of every Supplemental Indenture shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, and is valid and binding upon the Issuer; provided, that such Opinion of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is authorized under the Indenture to enter into any Supplemental Indenture referred to and permitted or authorized by the Indenture and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; provided, however the provisions of the Indenture described under this section entitled "General Provisions" shall not affect the rights of the Holders or the Issuer to remove the Trustee as provided in the Indenture.

(e) Notwithstanding anything in the provisions of the Indenture relating to amendments to the contrary, no Supplemental Indenture (or other amendment to the Indenture) shall change or modify (i) the order of priority of deposits set forth in the Indenture, (ii) the priority of the application of funds following an Event of Default as set forth in the Indenture, (iii) the definition of Operating Expenses, (iv) any of the rights or interests of the Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) or the Energy Supplier, as purchaser under the Receivables Purchase Provisions, granted in the Indenture or in the CCCFA Commodity Swap, the Interest Rate Swap or the Receivables Purchase Provisions, as the case may be, or (v) the provisions of the Indenture regarding the sale by the Trustee of Put Receivables (A) in each case unless the prior written consent of the Commodity Swap Counterparty has been obtained, and the Commodity Swap Counterparty shall have full right to enforce this provision, and (B) in the case of clause (iv) of this paragraph (e), unless the prior written consent of the Interest Rate Swap Counterparty and/or the Energy Supplier, as applicable, has been obtained.

(Section 10.03)

POWERS OF AMENDMENT

Any modification or amendment of the Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be made by a Supplemental Indenture, subject to the provisions of the Indenture, with the written consent given as provided in in the Indenture of the Holders of not less than a majority in principal amount of Outstanding Bonds, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of Outstanding Bonds of the particular maturity entitled to such Sinking Fund Installment; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or have become subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section entitled "Powers of Amendment;" and provided further, however, that if such modification or amendment would adversely affect the Interest Rate Swap Counterparty, such modification or amendment shall be subject to the prior written consent of the Interest Rate Swap Counterparty. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the provisions of the Indenture described in this paragraph, the Bonds shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. For purposes of this section entitled "Powers of Amendment," the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

(Section 11.02)

DEFEASANCE

(a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in the Indenture and shall pay or cause to be paid all amounts due or to become due to the Interest Rate Swap Counterparty under the Interest Rate Swap, then the pledge of all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; provided, however, that the Indenture shall not be discharged until (i) the Issuer shall have paid and satisfied all claims, charges and expenses that constitute Operating Expenses under the Indenture, (ii) the Trustee shall have received an Opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of the Indenture have been fulfilled and (iii) receipt by the Trustee of a Rating Confirmation. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to the Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the above paragraph (a) upon compliance with the provisions of the below paragraph (c).

(c) Subject to the provisions of the Indenture described in paragraph (d) below, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above of under this section entitled "Defeasance" if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable written instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as thereafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to the Indenture) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds (with such interest being calculated at the Maximum Rate with respect to any Bonds with interest rates that are not fixed to their redemption or maturity date, as applicable) on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraph (d) below of this section entitled "Defeasance," to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as provided in the Indenture prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to the provisions of the Indenture described under this section entitled "Defeasance" to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in the Indenture) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Indenture. The Trustee shall, if so directed by the Issuer (A) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds (calculated as described above), in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, the Issuer shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by written directions from the Issuer to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance." The directions given by the Issuer to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in the provisions of the Indenture described under this section entitled "Defeasance" the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under the provisions of the Indenture described under this section entitled "Defeasance" is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this paragraph (c) of this section entitled "Defeasance," the Trustee shall, if requested by the Issuer, in writing pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Except as otherwise provided in paragraphs (c) and (d) of this section entitled "Defeasance," neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Indenture described under this section entitled "Defeasance" nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Notwithstanding anything contained in the Indenture to the contrary, the Issuer shall pay and indemnify the

Trustee against any tax, fee or other charge imposed on or assessed against Defeasance Securities or the principal and interest received on Defeasance Securities.

(d) Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or, if shorter, one Business Day before such moneys would escheat to the State under then applicable State law) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the Written Request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds; provided, however, that before being required to make any such payment to the Issuer the Fiduciary shall, at the expense of the Issuer, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

(Section 12.01)

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# APPENDIX D

## FORM OF CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

November 3, 2025

This Continuing Disclosure Undertaking (the "*Agreement*") is executed and delivered by California Community Choice Financing Authority ("*CCCFA*") in connection with the issuance of its $844,495,000 Clean Energy Project Revenue Bonds Series 2025F (Green Bonds) (Term Rate), (the "*Bonds*"). The Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2025 (the "*Indenture*"), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee.

In consideration of the issuance of the Bonds by CCCFA and the purchase of such Bonds by the beneficial owners thereof, CCCFA covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by CCCFA as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). CCCFA represents that it will be the only "obligated person" within the meaning of the Rule with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after the issuance of the Bonds.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in *Exhibit I*.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means collectively, the audited financial statements of CCCFA and the Project Participant, each prepared pursuant to the standards and as described in *Exhibit I*.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by CCCFA and which has filed with CCCFA a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"*Energy Supplier*" means Energy Prepay IX, LLC, a Delaware limited liability company and its successors and permitted assigns.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Final Official Statement*" means the Final Official Statement dated October 22, 2025, relating to the Bonds.

"*Financial Obligation*" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Ledger Event*" has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

"*Monthly Ledger Report*" means the copies of the ledgers maintained by the Energy Supplier pursuant to Exhibit C of the Prepaid Energy Sales Agreement and delivered each month to CCCFA pursuant to Section 9(b) of such Exhibit.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Non-Private Business Sales Ledger*" and "*Private Business Sales Ledger*" have the meanings assigned to such terms in Exhibit C to the Prepaid Energy Sales Agreement.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"*Prepaid Energy Sales Agreement*" means the Prepaid Energy Sales Agreement dated as of October 22, 2025 between the Energy Supplier and CCCFA.

"*Project Participant*' means Silicon Valley Clean Energy Authority.

"*Reportable Event*" means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

"*Reportable Events Disclosure*" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of CCCFA pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

| MATURITY (NOVEMBER 1) | AMOUNT | CUSIP NUMBER |
|---|---|---|
| 2033 | $844,495,000 | 13013JHH2 |

CCCFA will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, CCCFA hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, CCCFA will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, CCCFA hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of CCCFA to Provide Information. CCCFA shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of CCCFA to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause CCCFA to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause CCCFA to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of CCCFA to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, CCCFA by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a “no-action” letter issued by the Commission, change in law, or change in the identity, nature, or status of CCCFA, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with CCCFA (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

In the event that the Commission, the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, CCCFA shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of CCCFA shall be terminated hereunder if CCCFA no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. CCCFA shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. CCCFA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent CCCFA from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If CCCFA chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, CCCFA shall have no obligation under this Agreement to update such information or include it in any future disclosure or

notice of occurrence of a Reportable Event. If the name of CCCFA is changed, CCCFA shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of CCCFA, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. CCCFA shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. CCCFA shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of CCCFA under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By ________________________________________
Its

# EXHIBIT I

## ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data with respect to the Clean Energy Project, including:

(a) with respect to the Project Participant updated information under the headings "Customers – General," "Customers – Customer Opt-Out Rate and Customer Retention," "Service Rates – Current and Historical Rate Information," "Sources of Energy – Energy Purchases," "Financial Information – Results of Operations," "Financial Information – Assets, Liabilities, Deferred Inflows or Resources and Net Position" and "Financial Information – Other Liquidity Sources" set forth Appendix A to the Official Statement;

(b) the quantities of Energy from the Clean Energy Project sold by CCCFA, whether to the Project Participant or others; and

(c) such other information and data as CCCFA may deem necessary in order to comply with the requirements of the Rule.

"*Audited Financial Statements*" means the audited financial statements of CCCFA and the Project Participant, in each case for the most recent fiscal year (commencing with the fiscal year ended December 31, 2025 for CCCFA, and commencing with the fiscal year ended September 30, 2025 for the Project Participant), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to CCCFA and the Project Participant, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the Commission. CCCFA shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to the Project Participant will be submitted to EMMA by 200 days after end of the Project Participant's fiscal year, commencing with its fiscal year ending September 30, 2025.

Annual Financial Information with respect to CCCFA (*i.e.,* the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by 200 days after end of CCCFA's fiscal year, commencing with its Fiscal Year ending December 31, 2025.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for the Project Participant and CCCFA. If Audited Financial Statements are not available when such Annual Financial Information is filed, unaudited financial statements shall be included. Audited Financial Statements will be submitted to EMMA no later than 30 days after availability to CCCFA.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, CCCFA will disseminate a notice of such change as required by Section 4.

# EXHIBIT II

## EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of CCCFA*

13. The consummation of a merger, consolidation, or acquisition involving CCCFA or the sale of all or substantially all of the assets of CCCFA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

15. Incurrence of a Financial Obligation of CCCFA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of CCCFA, any of which affect security holders, if material

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of CCCFA, any of which reflect financial difficulties

17. The receipt by CCCFA of a Monthly Ledger Report that includes a credit to any Non-Private Business Sales Ledger or any Private Business Sales Ledger that has not been reversed within twelve months of the date of such credit

18. The receipt by CCCFA of a Monthly Ledger Report that shows that a Ledger Event has occurred

# APPENDIX E

## FORM OF OPINION OF BOND COUNSEL

November 3, 2025

California Community Choice Financing Authority
San Rafael, California

Re: California Community Choice Financing Authority
Clean Energy Project Revenue Bonds, Series 2025F (Green Bonds) (Term Rate)

Ladies and Gentlemen:

We have acted as bond counsel to California Community Choice Financing Authority (the "Issuer") in connection with the issuance of $844,495,000 aggregate principal amount of California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2025F (Term Rate) (the "Bonds"), issued pursuant to a Trust Indenture, dated as of November 1, 2025 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Indenture provides that the Bonds are issued for the purpose of financing the Cost of Acquisition of the Clean Energy Project. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Issuer is authorized under the Joint Exercise of Powers Act (the "Act") constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time, to issue the Bonds to finance the Cost of Acquisition of the Clean Energy Project.

In such connection, we have reviewed the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swaps, the Seller Swaps (as defined in the Prepaid Energy Sales Agreement), the Tax Agreement, opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have examined such proceedings, documents, statutes and decisions, as we consider necessary as the basis for this opinion, including, *inter alia*, the Act and an executed and authenticated Bond. We assume that all other Bonds have been similarly executed and authenticated. We also assume that all documents, records, certifications and other instruments examined by us are genuine (including the signatures thereon), accurate and complete and we have not undertaken, by independent investigation, to verify the factual matters set forth in any such documents, records, certifications or other instruments.

The rights and obligations under the Bonds, the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swaps, the Seller Swaps, the Tax Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, and a valid pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty.

3. Interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Code, for purposes of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

4. Under existing laws as enacted and construed on the date of initial delivery of the Bonds, interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding any other state or local tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds, including, but not limited to, whether the interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of California.

In rendering the opinion set forth in paragraph 3, we have assumed compliance with all covenants and agreements contained in the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Tax Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Our engagement as bond counsel imposed no duty on us (a) to undertake any investigation as to either: (i) the adequacy of the security for the Bonds, (ii) the business or financial condition of the Issuer, and (iii) the veracity of any representations or certification made by the Issuer on which we have relied, or (b) to prepare, file or monitor the filing of continuation statements. We assume no obligation to file continuation statements under the Uniform Commercial Code of any jurisdiction, or to advise you to do so.

Our opinions represent our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and are not a guarantee of a result. This opinion letter is given solely for the benefit of the addressee and its successors and assigns. This opinion letter is not intended to be employed in any transaction other than the one described above and is being delivered to the addressee with the understanding that it may not be published, quoted, relied on or referred to by, and copies may not be delivered or made available to, in whole in or part, any other person or entity (other than the addressee's counsel or any applicable rating agency) or used for any other purpose without the express prior written consent of this firm in each instance.

We render this opinion as of the date hereof on the basis of federal law and the laws of the State of California as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs herein, including, without limitation, the accuracy or completeness of the preliminary or final official statement or other documents prepared or statements made in connection with the offering and sale of the Bonds, and make no representation that we have independently verified the contents thereof.

Sincerely yours,

BALLARD SPAHR LLP

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# APPENDIX F

## FORM OF SECOND PARTY OPINION REGARDING GREEN BOND DESIGNATION

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# Second Party Opinion

| | |
|---|---|
| **Issuer:** | **California Community Choice Financing Authority** |
| **Issue Description:** | Clean Energy Project Revenue Bonds Series, 2025F (Green Bonds) (Term Rate) |
| **Project:** | Clean Energy Project |
| **Green Standard:** | ICMA Green Bond Principles |
| **Green Category:** | Renewable Energy |
| **Keywords:** | Renewable energy, carbon-free, community choice aggregator, decarbonizing, net zero aligned, greenhouse gas emissions reduction, nuclear, solar, wind energy, battery storage, Silicon Valley, California |
| **Par:** | $844,495,000 |
| **Evaluation Date:** | August 13, 2025 |

## GREEN BONDS DESIGNATION

Kestrel, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of the Clean Energy Project Revenue Bonds, Series 2025F (Green Bonds) (Term Rate) ("Bonds") to evaluate conformance with the Green Bond Principles (June 2025 with June 2022 Appendix 1) established by the International Capital Market Association. Our team for this engagement included analysts with experience in sustainability and environmental science.

This Second Party Opinion reflects our review of the uses and allocation of proceeds, oversight, and conformance of the Bonds with the Green Bond Principles. In addition, the Bonds were benchmarked using Kestrel Sustainability Intelligence™. In our opinion, the Bonds are impactful, net zero aligned, conform with the four core components of the Green Bond Principles, and qualify for Green Bonds designation.

## ABOUT THE ISSUER

California Community Choice Financing Authority ("CCCFA") is a joint powers authority established in 2021 comprising community choice aggregators in California, including its founding members: Silicon Valley Clean Energy, Clean Power Alliance of Southern California, Ava Community Energy Authority, Marin Clean Energy, and Central Coast Community Energy.[1] CCCFA was incorporated and organized for a variety of purposes, including to issue tax-advantaged bonds to finance prepayments for electricity. This innovative strategy can help community choice aggregators remain cost-competitive with other utilities.

[1] CCCFA has six associate member agencies.

## ABOUT THE BORROWER

Silicon Valley Clean Energy ("SVCE"), a joint powers authority, is a community choice aggregator ("CCA") and the beneficiary of the Bonds issued by CCCFA. Community choice aggregators are locally controlled not-for-profit energy providers. The primary purpose of a CCA is to provide communities with more clean energy options, meet regional climate action goals, ensure local accountability and transparency, and spur economic development. As of 2025, 10 states have authorized community choice aggregators.[2]

SVCE was formed in March 2016 with the purpose of reducing dependence on fossil fuels and investing in local communities. SVCE serves over 280,000 accounts representing approximately 700,000 residents and businesses in 13 communities in Santa Clara County. Electricity acquired by SVCE is delivered through transmission and distribution infrastructure managed by Pacific Gas and Electric ("PG&E").

As of 2025, SVCE has an adopted target to achieve 100% renewable energy by 2035. SVCE is on track to meet this target and exceed state renewable requirements.[3] To advance this goal, SVCE has supported development of new, large-scale renewable energy generation projects since 2016 and maintains a 100% carbon-free resource portfolio. All new energy procurement is from renewable or carbon-free resources. Customers of SVCE may choose from two clean electricity options[4]:

- GreenStart: 50% renewable and up to 100% carbon-free[5]
- GreenPrime: 100% renewable energy

In addition to providing carbon-free energy, SVCE administers community programs to advance decarbonization of buildings and transportation. Through the Decarbonization Strategy & Programs Roadmap (2018), SVCE set a target for its communities to reduce greenhouse gas emissions 50% by 2030. The Roadmap provides overarching focus areas to support community emissions reduction, including power supply, the built environment, mobility, energy efficiency and grid integration. SVCE subsequently completed the Electric Vehicle Infrastructure Joint Action Plan, Building Decarbonization Joint Action Plan, and Virtual Power Plant Options Analysis.[6] The 2024 Strategic Plan affirms SVCE's commitment to support decarbonization through local investments that are scalable and accessible to all.[7] A selection of programs is described below.

- **Multi-Family Housing Energy Retrofits and EV Chargers:** Funding is available for electrification of appliances and installation of electric vehicle ("EV") charging stations in multi-family properties. These programs provide incentives and grants for energy retrofits. Certain low-income and disadvantaged household projects are eligible for no-cost direct installation. As of 2024, SVCE has assisted 32 multi-family properties with installation of EV chargers.

[2] "Community Choice Aggregation," US Environmental Protection Agency, accessed July 28, 2025, https://www.epa.gov/green-power-markets/community-choice-aggregation.
[3] "Impact Report," Silicon Valley Clean Energy, December 2023, https://svcleanenergy.org/plans-policies-reports/#flipbook-df_39835/1/.
[4] SVCE also offers GreenPrime Direct, an option for customers with customized contracts and generation supplies.
[5] Resource mix for GreenStart as of 2025. "It's all about choice," Silicon Valley Clean Energy, accessed August 12, 2025, https://svcleanenergy.org/plans.
[6] "Plans & Reports," Silicon Valley Clean Energy, accessed July 30, 2025, https://svcleanenergy.org/plans-policies-reports/#decarbonization-plans.
[7] "Strategic Plan," Silicon Valley Clean Energy, October 2024, https://svcleanenergy.org/plans-policies-reports/#flipbook-df_42278/1/.

- **Home Rebates:** Rebates are available for electrification of appliances, including replacement of gas hot water heaters, furnaces, electric resistance heaters and cooktops. As of 2024, 1,020 heat pump water heaters, 1,089 heat pump heating and cooling systems and 60 induction cooktops have been installed.
- **Customized Rates:** SVCE offers discounts on electricity used during off-peak hours. Customers choose from multiple rate options, including plans with higher discounts for households with heat pumps or electric vehicles and plans for customers who can use their EVs to provide load shifting capacity.[8]
- **Contractor Training:** SVCE provides incentives for contractors to complete training on energy efficiency and electrification retrofits and provides additional incentives for each fully electrified appliance installed. Almost 300 contractors have been trained as of 2024.
- **Permit Modernization and Reach Codes 2.0:** SVCE assists member agencies as they improve permitting processes for electrification projects and upgrade building codes to support all-electric construction.
- **Community Energy Resilience:** This program provides grants to improve resilience of high-risk communities to reduce impacts from power outages caused by storms, wildfires, natural disasters, or other events. Completed projects include solar and battery storage projects at Milpitas Community & Senior Center and Sunnyvale City Hall and backup battery systems at 14 traffic lights in Saratoga.

These programs support SVCE's mission while strengthening regional resilience, reducing emissions, and expanding equitable access to clean energy, electric vehicles, and electrified buildings.

## ALIGNMENT TO GREEN STANDARDS[9]

### Use of Proceeds

The Green Bond Principles

The Bonds finance prepayment of electricity derived from renewable and carbon-free energy sources for the benefit of SVCE. The prepayment will provide electricity to SVCE for 30 years from a suite of clean energy facilities and projects, referred to as the "Clean Energy Project." Proceeds will also finance capitalized interest, fund a deposit to bond reserves, and pay costs of issuance. The prepayment is an eligible project as defined by the Green Bond Principles in the project category of *Renewable Energy*.

The Clean Energy Project

The Bonds finance procurement of a 30-year supply of clean electricity for SVCE at competitive prices. Immediately following sale of the Bonds, SVCE will assign power from the carbon-free Palo Verde nuclear facility through an initial purchase agreement (Table 1). After this initial short-term prepay period, SVCE will

8 "Residential Electricity Rates: E-ELEC," Silicon Valley Clean Energy, accessed August 12, 2025, https://svcleanenergy.org/residential-rates/#E-ELEC; "Hourly Flex Pricing Pilot," Silicon Valley Clean Energy, accessed August 12, 2025, https://svcleanenergy.org/hourly-flex-pricing.

9 Green Bonds are any type of debt instrument where the proceeds will be exclusively applied to finance or refinance eligible Green Projects which are aligned with the four core components of ICMA Green Bond Principles.

assign long-term power purchase agreements ("PPA") to this transaction from contracts that include wind, solar, and solar with battery storage.

The transaction structure allows SVCE to use tax-exempt debt to prepay renewable energy contracts at a cost-saving discount and expand affordable access to clean energy for customers. Details of the financing structure are discussed in the Official Statement.

**Table 1. Initial Clean Energy Project Power Purchase Agreements**

| Project Name | Fuel Source | Location | Greenhouse Gas Emissions Intensity ($MTCO_2e/MWh$) | Term (Years) |
|---|---|---|---|---|
| Palo Verde | Nuclear | Maricopa County, AZ | 0 | 2 |

SVCE has committed to achieving a 100% renewable portfolio by 2035 and the proceeds of the Bonds will be allocated in alignment with this commitment. In the event that PPAs are not available to be assigned to the Clean Energy Project prepayment in the future, SVCE will likely continue to purchase power under their existing procurement arrangement outside of the prepayment transaction. In this situation, SVCE may continue to receive the benefit of the discount from the prepayment under contractual remediation provisions. Details of alternative assignment are discussed in the Official Statement.

The PPAs include a backup plan in the event of a failure to deliver energy, which involves supplying equivalent replacement power or power from California's electric grid. California has a renewables portfolio standard and a healthy mix of renewable power in the grid, but it is not 100% renewable.

<u>Net Zero Alignment</u>
Bonds are net zero aligned if financed activities advance goals to reach net zero greenhouse gas emissions by at least 2050. The Clean Energy Project financed by the Bonds advances the net-zero transition by increasing availability of carbon-free and renewable energy. The Bonds enable decarbonization of the electric sector and align with SVCE's trajectory to exceed statewide renewable portfolio standard targets for 60% renewables by 2030 and 100% carbon-free by 2045.

<u>Reliability and Resilience</u>
The Bonds and SVCE's community programs improve resilience of the power grid to transitional and physical climate risks, ensuring reliable operations while advancing statewide renewable energy goals. Adding renewables to the grid can cause supply-demand imbalances and grid flexibility and storage solutions are required to ensure resilience. SVCE meets this need through acquisition of significant battery storage resources and active evaluation and implementation of virtual power plant solutions. In addition, a Community Resilience Program, led by SVCE, helps high-risk communities reduce impacts from outages caused by storms, wildfires, natural disasters or other events. Examples of community resilience projects include installation of solar and battery storage for emergency backup power on a senior and community center in the City of Milpitas and a fire station in Santa Clara County.

## Process for Project Evaluation and Selection

Silicon Valley Clean Energy

SVCE is committed to providing cost-effective carbon-free energy to its customers and meeting greenhouse gas emission reduction and reliability objectives. The Bonds drive progress toward this commitment and advance the ambitious SVCE goal to achieve 100% renewable resources by 2035.

SVCE has an adopted integrated resource plan ("IRP") that is the primary planning document for long-term priorities and strategies. As required by state law, the IRP must be certified by the California Public Utilities Commission every two years. The IRP includes information about how SVCE will meet statewide requirements for reducing greenhouse gas emissions within the power sector while ensuring grid reliability and competitive rates.

In addition to meeting core requirements for reliability and affordability, SVCE uses its PPA Project Selection Policy to evaluate prospective resources. Factors evaluated include contribution to SVCE's mission and decarbonization targets, local workforce development, diversity of resources, project location, environmental stewardship, and community engagement.

California Community Choice Financing Authority

As a conduit issuer, CCCFA is authorized through the California Joint Exercise of Powers Act to issue bonds that finance eligible Clean Energy Projects. CCCFA holds the rights over financing and refinancing of the energy prepayment through tax-advantaged bonds. Although CCCFA is not responsible for selecting or negotiating PPAs for specific members, CCCFA is obligated to confirm, and has confirmed eligibility of financed activities in accordance with its authorized activities as a joint powers authority.

## Management of Proceeds

Proceeds from the Bonds will be solely allocated to finance prepayment for renewable and carbon-free energy, pay capitalized interest, and pay costs of issuance. Upon closing, CCCFA will immediately acquire a 30-year supply of clean electricity through the energy supplier, Energy Prepay IX, LLC, for the sole benefit of SVCE. While proceeds delivered to Energy Prepay IX, LLC may be comingled with other funds before payment for renewable and carbon-free energy, the total amount must be used exclusively over the terms of the contracts to acquire a supply of eligible clean energy. In Kestrel's view, this management of proceeds through a third party retains alignment with market standards and enables the expansion of renewable energy contracts. Ultimately, this transaction structure enables acquisition of renewable electricity and is an exemplary, cost-saving model for electric utilities to follow.

## Reporting

In California, community choice aggregators ("CCAs") such as SVCE are considered Electric Load-Serving Entities and are therefore subject to Power Source Disclosures, renewable portfolio standards, and reliability standards set forth by the California Public Utilities Commission and the California Energy Commission ("CEC"). Reporting is described below.

| Reporting Type | Description |
|---|---|
| Power Source Disclosures | Power Source Disclosure is managed by the California Energy Commission and CCAs are required to report energy sources used for retail sales. Pursuant to this, SVCE provides a Power Source Disclosure that details all energy procurement activities, including the power purchase agreements. Greenhouse gas emissions are calculated based on the CEC template and are reflected on the Power Content Label. These disclosures are made available on the CEC website: energy.ca.gov/programs-and-topics/programs/power-source-disclosure. |
| Renewable Portfolio Standard | As required by the California Energy Commission, CCAs submit annual reports that describe progress toward meeting the California Renewable Portfolio Standard including annual and long-term renewable energy contracting requirements.[10] |
| Integrated Resource Plan | SVCE regularly submits an Integrated Resource Plan to the California Public Utilities Commission.[11] The Plan provides a roadmap for meeting statewide requirements for greenhouse gas emission reduction within the electric sector. |
| Board Updates | Periodic updates on community programs and progress towards renewable energy goals are provided to the SVCE Board of Directors. Updates are available on the Meetings & Agendas website: svcleanenergy.org/meetings. |

In connection with the Bonds, Kestrel will provide at least one post-issuance report with updates on the Clean Energy Project including greenhouse gas emissions intensity of PPAs, and confirming continued alignment with the Green Bond Principles.

CCCFA will also submit continuing financial disclosures to the Municipal Securities Rulemaking Board ("MSRB") as long as the Bonds are outstanding, as well as reports in the event of material developments. This reporting will be done annually on the Electronic Municipal Market Access ("EMMA") system operated by the MSRB.

[10] "Renewables Portfolio Standard – Verification and Compliance," California Energy Commission, accessed July 30, 2025, https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard.

[11] "Integrated Resource Plan and Long Term Procurement Plan (IRP-LTPP)," California Public Utilities Commission, accessed July 30, 2025, https://www.cpuc.ca.gov/irp/.

## ALIGNMENT WITH UN SDGs

The Bonds support and advance the vision of the United Nations Sustainable Development Goals ("UN SDGs"), including:

**Affordable and Clean Energy (Targets 7.1, 7.2)**
Clean and renewable electricity for SVCE customers through prepayment of renewable energy

**Industry, Innovation and Infrastructure (Targets 9.1, 9.4)**
Expanded clean energy production and reduced greenhouse gas emissions

**Sustainable Cities and Communities (Target 11.6)**
Increased use of renewable energy which contributes to improved air quality

**Climate Action (Target 13.2)**
Renewable energy alternatives to avoid greenhouse gas emissions

Full text of the Targets for these Goals is on the United Nations website: un.org/sustainabledevelopment

## BENCHMARKING: KESTREL SUSTAINABILITY INTELLIGENCE™

| Project Information | |
|---|---|
| Subsector | Community Choice Aggregator |
| Sector | Electric Utility |
| Project Status | N/A |

| Sustainability Benchmarks | |
|---|---|
| Composite Score | 5.00 out of 5.00 |
| Rank * | **Top 1%** |

***Compared to all bonds scored in the electric utility sector (n = 416). To learn more about benchmarking with Kestrel Sustainability Intelligence, including additional data fields not shown here, visit kestrelesg.com.**

| Sustainability Scores (out of 5) | | Weight in Composite Score Calculation |
|---|---|---|
| Environmental | 5.00 | 55% |
| Social | 5.00 | 25% |
| Transparency | 5.00 | 20% |

| Score Rationale | | |
|---|---|---|
| Environmental | Renewable Energy | 34% |
| Social | Equitable Access to Essential Services | 29% |
| | Safe & Healthy Communities | 17% |
| Transparency | Disclose Activities, Impacts & Risks | 20% |

| Climate Risk Strategies | |
|---|---|
| Resilience Programs | ✓ Battery storage resources and virtual power plant programs |
| Renewable Energy | ✓ Yes |

*This bond was evaluated on 7/30/2025 and reference data for benchmarking was accessed on 6/12/2025. Kestrel Sustainability Scores are fixed for a minimum period of one year from the date of our Opinion. During this period, scores will not be changed. Afterward, scores may be updated, including when Kestrel prepares a Post-Issuance Report.*

## CONCLUSION

Based on our independent external review, the Bonds are impactful, net zero aligned, conform, in all material respects, with the Green Bond Principles (2025) and are in complete alignment with the *Renewable Energy* project category. Based on benchmarking with Kestrel Sustainability Intelligence, the Bonds are in the top 1% of assets in the electric utility sector, a reflection of best practices for sustainability. SVCE is a 100% carbon-free CCA and the Clean Energy Project is uniquely positioned to preserve and improve access to clean and renewable energy to communities in Santa Clara County.

**About**

Kestrel Sustainability Intelligence™ for municipal markets helps set the market standard for sustainable finance. We do this through verification and our comprehensive Sustainability Analysis and Scores.

Kestrel is a leading provider of external reviews for green, social and sustainability bond transactions. We evaluate transactions in public and private markets for conformance with international green and social bond standards.

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Verification Team

- April Strid, MS - Head of Research and Lead Verifier
- Matt Michel, PhD - Senior Sustainability Analyst
- Monica Reid - CEO

**Disclaimer**

This Opinion aims to explain how and why the discussed financing meets the ICMA Green Bond Principles based on the information that was provided by SVCE or CCCFA or made publicly available by SVCE or CCCFA and relied upon by Kestrel only during the time of this engagement (July – August 2025), and only for purposes of providing this Opinion.

We have relied on information obtained from sources believed to be reliable, and assumed the information to be accurate and complete. However, Kestrel can make no warranty, express or implied, nor can we guarantee the accuracy, comprehensive nature, merchantability, or fitness for a particular purpose of the information we were provided or obtained.

By providing this Opinion, Kestrel is neither addressing nor certifying the credit risk, liquidity risk, market value risk or price volatility of the projects financed by the Green Bonds. It was beyond Kestrel's scope of work to review for regulatory compliance, and no surveys or site visits were conducted by us. Furthermore, we are not responsible for surveillance, monitoring, or implementation of the project, or use of proceeds.

The Opinion delivered by Kestrel is for informational purposes only, is current as of the Evaluation Date, and does not address financial performance of the Green Bonds or the effectiveness of allocation of its proceeds. This Opinion does not make any assessment of the creditworthiness of SVCE or CCCFA, nor its ability to pay principal and interest when due. This Opinion does not address the suitability of a Bond as an investment, and contains no offer, solicitation, endorsement of the Bonds nor any recommendation to buy, sell or hold the Bonds. Kestrel accepts no liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits), for any consequences when third parties use this Opinion either to make investment decisions or to undertake any other business transactions.

This Opinion may not be altered without the written consent of Kestrel. Kestrel reserves the right to revoke or withdraw this Opinion at any time. Kestrel certifies that there is no affiliation, involvement, financial or non-financial interest in SVCE or CCCFA or the projects discussed. We are 100% independent. Language in the offering disclosure supersedes any language included in this Second Party Opinion.

Use of the United Nations Sustainable Development Goal (SDG) logo and icons does not imply United Nations endorsement of the products, services, or bond-financed activities. The logo and icons are not being used for promotion or financial gain. Rather, use of the logo and icons is primarily illustrative, to communicate SDG-related activities.

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# APPENDIX G

## BOOK-ENTRY SYSTEM

The Depository Trust Company (*"DTC"*), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Bonds exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CCCFA of securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from CCCFA or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, CCCFA or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of CCCFA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to CCCFA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

CCCFA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that CCCFA believes to be reliable, but CCCFA takes no responsibility for the accuracy thereof.

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# APPENDIX H

## REDEMPTION PRICE OF THE BONDS

The following table sets forth the Redemption Price of the Bonds (being the Amortized Value of the Series 2025F Bonds, but excluding accrued interest), upon an extraordinary mandatory redemption following an early termination of the Prepaid Energy Sales Agreement, as of the redemption dates shown below during the Initial Interest Rate Period.

| Redemption Date | Redemption Price | Redemption Date | Redemption Price | Redemption Date | Redemption Price |
|---|---|---|---|---|---|
| 1/1/2026 | $927,551,083.25 | 9/1/2028 | $901,793,985.75 | 5/1/2031 | $873,537,183.05 |
| 2/1/2026 | 926,774,147.85 | 10/1/2028 | 900,957,935.70 | 6/1/2031 | 872,582,903.70 |
| 3/1/2026 | 926,014,102.35 | 11/1/2028 | 900,138,775.55 | 7/1/2031 | 871,637,069.30 |
| 4/1/2026 | 925,254,056.85 | 12/1/2028 | 899,268,945.70 | 8/1/2031 | 870,699,679.85 |
| 5/1/2026 | 924,502,456.30 | 1/1/2029 | 898,399,115.85 | 9/1/2031 | 869,770,735.35 |
| 6/1/2026 | 923,700,186.05 | 2/1/2029 | 897,537,730.95 | 10/1/2031 | 868,850,235.80 |
| 7/1/2026 | 922,906,360.75 | 3/1/2029 | 896,684,791.00 | 11/1/2031 | 867,929,736.25 |
| 8/1/2026 | 922,112,535.45 | 4/1/2029 | 895,840,296.00 | 12/1/2031 | 866,958,567.00 |
| 9/1/2026 | 921,335,600.05 | 5/1/2029 | 895,004,245.95 | 1/1/2032 | 865,995,842.70 |
| 10/1/2026 | 920,567,109.60 | 6/1/2029 | 894,117,526.20 | 2/1/2032 | 865,041,563.35 |
| 11/1/2026 | 919,798,619.15 | 7/1/2029 | 893,230,806.45 | 3/1/2032 | 864,095,728.95 |
| 12/1/2026 | 918,979,459.00 | 8/1/2029 | 892,360,976.60 | 4/1/2032 | 863,158,339.50 |
| 1/1/2027 | 918,168,743.80 | 9/1/2029 | 891,491,146.75 | 5/1/2032 | 862,229,395.00 |
| 2/1/2027 | 917,374,918.50 | 10/1/2029 | 890,629,761.85 | 6/1/2032 | 861,241,335.85 |
| 3/1/2027 | 916,581,093.20 | 11/1/2029 | 889,776,821.90 | 7/1/2032 | 860,261,721.65 |
| 4/1/2027 | 915,795,712.85 | 12/1/2029 | 888,873,212.25 | 8/1/2032 | 859,290,552.40 |
| 5/1/2027 | 915,010,332.50 | 1/1/2030 | 887,978,047.55 | 9/1/2032 | 858,319,383.15 |
| 6/1/2027 | 914,182,727.40 | 2/1/2030 | 887,082,882.85 | 10/1/2032 | 857,365,103.80 |
| 7/1/2027 | 913,355,122.30 | 3/1/2030 | 886,204,608.05 | 11/1/2032 | 856,419,269.40 |
| 8/1/2027 | 912,544,407.10 | 4/1/2030 | 885,326,333.25 | 12/1/2032 | 855,414,320.35 |
| 9/1/2027 | 911,733,691.90 | 5/1/2030 | 884,464,948.35 | 1/1/2033 | 854,417,816.25 |
| 10/1/2027 | 910,931,421.65 | 6/1/2030 | 883,536,003.85 | 2/1/2033 | 853,429,757.10 |
| 11/1/2027 | 910,146,041.30 | 7/1/2030 | 882,623,949.25 | 3/1/2033 | 852,450,142.90 |
| 12/1/2027 | 909,293,101.35 | 8/1/2030 | 881,720,339.60 | 4/1/2033 | 851,470,528.70 |
| 1/1/2028 | 908,457,051.30 | 9/1/2030 | 880,825,174.90 | 5/1/2033 | 850,507,804.40 |
| 2/1/2028 | 907,629,446.20 | 10/1/2030 | 879,930,010.20 | 6/1/2033 | 849,469,075.55 |
| 3/1/2028 | 906,810,286.05 | 11/1/2030 | 879,051,735.40 | 7/1/2033 | 848,438,791.65 |
| 4/1/2028 | 905,991,125.90 | 12/1/2030 | 878,114,345.95 | 8/1/2033 | 847,433,842.60 |
| 5/1/2028 | 905,188,855.65 | 1/1/2031 | 877,176,956.50 | 9/1/2033 | 846,437,338.50 |
| 6/1/2028 | 904,327,470.75 | 2/1/2031 | 876,256,456.95 | 10/1/2033 | 845,457,724.30 |
| 7/1/2028 | 903,474,530.80 | 3/1/2031 | 875,344,402.35 | 11/1/2033 | 844,495,000.00 |
| 8/1/2028 | 902,630,035.80 | 4/1/2031 | 874,440,792.70 | | |

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## APPENDIX I

## SCHEDULE OF TERMINATION PAYMENTS

The Termination Payment for any Early Termination Payment Date will be the amount set forth below in the column corresponding to the month in which the Early Termination Date occurs. In the event that the Early Termination Date occurs on other than the last day of a month, the Early Termination Payment will be increased by an amount equal to the product of (a) the Monthly Projected Quantity for such Month, minus the quantity of Energy delivered in such Month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price (as defined in the CCCFA Commodity Swap), minus (ii) the Specified Discount then in effect. The Early Termination Payment Date is the last Business Day of the Month following the Month of Early Termination.

| Month of Early Termination | Termination Payment | Month of Early Termination | Termination Payment | Month of Early Termination | Termination Payment |
|---|---|---|---|---|---|
| Nov-2025 | $894,867,497.81 | Jul-2028 | $883,571,778.02 | Mar-2031 | $864,868,041.26 |
| Dec-2025 | 897,609,291.58 | Aug-2028 | 882,965,549.34 | Apr-2031 | 864,249,677.07 |
| Jan-2026 | 897,213,154.28 | Sep-2028 | 882,482,304.36 | May-2031 | 863,533,664.04 |
| Feb-2026 | 897,067,225.47 | Oct-2028 | 881,842,295.87 | Jun-2031 | 862,932,189.76 |
| Mar-2026 | 896,622,855.47 | Nov-2028 | 881,303,960.61 | Jul-2031 | 862,233,066.62 |
| Apr-2026 | 896,227,229.59 | Dec-2028 | 880,672,397.08 | Aug-2031 | 861,542,388.44 |
| May-2026 | 895,736,312.49 | Jan-2029 | 880,110,278.50 | Sep-2031 | 860,957,804.06 |
| Jun-2026 | 895,349,131.56 | Feb-2029 | 879,813,886.26 | Oct-2031 | 860,216,456.17 |
| Jul-2026 | 894,875,104.37 | Mar-2029 | 879,212,078.16 | Nov-2031 | 859,585,226.46 |
| Aug-2026 | 894,409,522.12 | Apr-2029 | 878,661,273.57 | Dec-2031 | 858,860,768.48 |
| Sep-2026 | 894,047,676.04 | May-2029 | 878,004,375.19 | Jan-2032 | 858,205,755.45 |
| Oct-2026 | 893,531,424.10 | Jun-2029 | 877,470,460.51 | Feb-2032 | 857,710,374.96 |
| Nov-2026 | 893,123,030.92 | Jul-2029 | 876,830,452.02 | Mar-2032 | 857,015,672.41 |
| Dec-2026 | 892,632,113.83 | Aug-2029 | 876,198,888.49 | Apr-2032 | 856,363,528.42 |
| Jan-2027 | 892,202,196.74 | Sep-2029 | 875,681,863.71 | May-2032 | 855,613,735.59 |
| Feb-2027 | 892,030,933.07 | Oct-2029 | 875,008,075.42 | Jun-2032 | 854,978,481.51 |
| Mar-2027 | 891,552,783.27 | Nov-2029 | 874,444,405.31 | Jul-2032 | 854,237,133.62 |
| Apr-2027 | 891,131,822.54 | Dec-2029 | 873,779,061.98 | Aug-2032 | 853,512,675.64 |
| May-2027 | 890,607,125.64 | Jan-2030 | 873,191,608.55 | Sep-2032 | 852,902,756.41 |
| Jun-2027 | 890,203,054.81 | Feb-2030 | 872,861,436.51 | Oct-2032 | 852,127,628.72 |
| Jul-2027 | 889,695,247.82 | Mar-2030 | 872,234,293.56 | Nov-2032 | 851,462,619.21 |
| Aug-2027 | 889,195,885.77 | Apr-2030 | 871,641,264.22 | Dec-2032 | 850,704,381.43 |
| Sep-2027 | 888,817,149.79 | May-2030 | 870,959,030.99 | Jan-2033 | 850,015,588.60 |
| Oct-2027 | 888,267,118.05 | Jun-2030 | 870,391,336.51 | Feb-2033 | 849,584,077.16 |
| Nov-2027 | 887,833,390.02 | Jul-2030 | 869,725,993.17 | Mar-2033 | 848,855,594.81 |
| Dec-2027 | 887,308,693.13 | Aug-2030 | 869,060,649.84 | Apr-2033 | 848,152,781.12 |
| Jan-2028 | 886,780,354.35 | Sep-2030 | 868,518,290.21 | May-2033 | 847,352,318.59 |
| Feb-2028 | 886,403,203.16 | Oct-2030 | 867,810,722.12 | Jun-2033 | 846,683,284.71 |
| Mar-2028 | 885,835,174.86 | Nov-2030 | 867,204,827.26 | Jul-2033 | 845,916,601.97 |
| Apr-2028 | 885,309,705.12 | Dec-2030 | 866,514,149.08 | Aug-2033 | 845,166,809.14 |
| May-2028 | 884,686,586.54 | Jan-2031 | 865,892,915.85 | Sep-2033 | 844,496,062.46[1] |
| Jun-2028 | 884,178,006.71 | Feb-2031 | 865,537,408.96 | | |

1. This amount would also be payable if an Early Termination Payment Date occurs in October 2033 due to a Failed Remarketing.

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# APPENDIX J

## CANADIAN IMPERIAL BANK OF COMMERCE AND ITS NEW YORK BRANCH

Canadian Imperial Bank of Commerce, a banking corporation duly incorporated and existing under the Bank Act (Canada), is one of the leading financial services groups in Canada and has global operations, operating offices in countries and regions worldwide including Canada, the United States, Europe, Asia, Australia, the Caribbean and Latin America through its subsidiaries, branches and other banking offices (hereinafter, CIBC and its consolidated subsidiaries are collectively referred to as *"CIBC"*). CIBC's clients include individuals, corporations, financial institutions and governmental agencies. CIBC's business consists of four main business units — (1) Canadian Personal and Business Banking, (2) Canadian Commercial Banking and Wealth Management, (3) U.S. Commercial Banking and Wealth Management and (4) Capital Markets.

CIBC is subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, CIBC files with the Securities and Exchange Commission (the *"SEC"*) annual reports on Form 40-F and furnishes to the SEC reports on Form 6-K. For further information concerning CIBC, see such filings CIBC makes with the SEC from time to time via the Electronic Data, Gathering, Analysis and Retrieval (EDGAR®) system, which are available on the SEC's website (www.sec.gov). None of the information on the SEC's website and in the documents referred to above is incorporated by reference in this Official Statement.

As of the date of this Official Statement, the deposit/counterparty rating of CIBC is "AA" (Stable) by Fitch Ratings, "Aa2" (Stable) by Moody's Investors Service and "A+" (Stable) by S&P Global Ratings.

The delivery of this Official Statement does not imply that there has been no change in the affairs of CIBC since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

### CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH

Canadian Imperial Bank of Commerce's New York Branch is an uninsured branch of CIBC, duly licensed by the New York State Department of Financial Services to operate under the laws of the State of New York.

Under no circumstance is CIBC obligated to pay any amounts owed in respect of the Bonds. Neither CIBC nor its New York Branch takes any responsibility for the information set forth in this Official Statement other than the information set forth in this APPENDIX J — "CANADIAN IMPERIAL BANK OF COMMERCE AND ITS NEW YORK BRANCH".

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CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY • CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2025F (GREEN BONDS) (TERM RATE)

California Community Choice Financing Authority

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