



Larry Klein, Chair
City of Sunnyvale

Sally Meadows, Vice Chair
City of Los Altos

Elliot Scozzola
City of Campbell

R "Ray" Wang
City of Cupertino

Zach Hilton
City of Gilroy

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Garry Barbadillo
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

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

Wednesday, March 11, 2026
7:00 pm

Sunnyvale Civic Center
456 W. Olive Avenue
Sunnyvale, CA

Teleconference Meeting
Webinar:

<https://svcleanenergy-org.zoom.us/j/85425803851>

Telephone (Audio Only):
US: +1 669-219-2599
Webinar ID: 854 2580 3851

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

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

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org prior to the meeting for assistance.

AGENDA

[Call to Order](#)

Larry Klein, Chair
City of Sunnyvale

Roll Call

Sally Meadows, Vice Chair
City of Los Altos

Elliot Scozzola
City of Campbell

R "Ray" Wang
City of Cupertino

Public Comment on Matters Not Listed on the Agenda

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

Zach Hilton
City of Gilroy

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Garry Barbadillo
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

Consent Calendar (Action)

- 1a) Approve Minutes of the February 11, 2026, Board of Directors Meeting
- 1b) Approve Minutes of the February 11, 2026, Board of Directors Special Meeting
- 1c) Receive January 2026 Treasurer Report
- 1d) Receive Just Cause and Multijurisdictional Bodies Remote Participation Report
- 1e) Approve an Allocation of Program Fund Dollars of \$6 million to Expand the Home Rebates Program
- 1f) Authorize the Chief Executive Officer to Execute and Amend Agreements with Member Agencies to Administer City Rebates as Funded by Member Agencies for Building Electrification
- 1g) Approve Addition to 2026 Legislative Policy Platform on a Diablo Canyon Nuclear Power Plant Extension
- 1h) Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Amended and Restated Agreement with Morgan Stanley Capital Group, Inc. to Update the Execution of Energy Transactions
- 1i) Adopt Resolution Modifying the Electric Schedule NEM-SVCE to Clarify Net Billing Tariff (NBT, NEM 3.0) Language to Ensure No Customer Collections at True Up
- 1j) Adopt Resolution Authorizing the Replacement of The Trustee for Certain California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and Certain Other Actions in Connection Therewith
- 1k) Receive Executive Committee Report
- 1l) Receive Finance and Administration Committee Report
- 1m) Receive Audit Committee Report

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Suite 330
Sunnyvale, CA 94087



Larry Klein, Chair
City of Sunnyvale

1n) Receive 2026 Legislative Responses to Industry Transition Ad Hoc Committee Report

Sally Meadows, Vice Chair
City of Los Altos

1o) Receive California Community Power Report

Elliot Scozzola
City of Campbell

Regular Calendar

2) CEO Report (Informational)

R "Ray" Wang
City of Cupertino

3) Receive Financial Audit Results and Accept the Findings from the Independent Auditor (Action)

Zach Hilton
City of Gilroy

4) Adopt Resolution Approving Changing SVCE's Fiscal Year Period from October to September to a Calendar Year Period, Effective January 1, 2027, and Other Necessary Changes to Allow for the Implementation of the New Fiscal Year (Action)

George Tyson
Town of Los Altos Hills

5) Adopt Resolution Approving the Fiscal Year 2025-2026 Mid-Year Adjusted Operating Budget (Action)

Rob Rennie
Town of Los Gatos

6) Financial Levers Update – Additional Discussion and Scenario Review (Discussion)

Garry Barbadillo
City of Milpitas

Board Member Announcements and Direction on Future Agenda Items

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Adjourn

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

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SVCE GLOSSARY OF TERMS

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

C&I – Commercial and Industrial – Business customers

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

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

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

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

CEC – California Energy Commission

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IRA – Inflation Reduction Act

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

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

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

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

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

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

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

- MMT – Million Metric Tonnes** – Common unit of measurement in regulatory and policy space for California’s GHG emissions.
- MAWG** – Member Agency Working Group, a group of PIOs from SVCE’s member communities that gather monthly
- MW – Megawatt** – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.
- MWh – Megawatt-hour** – measure of energy
- NEM – Net Energy Metering** – A program in which solar customers receive credit for excess electricity generated by solar panels. The main differences between NEM and FIT programs are the type of rate (flat vs. dependent on time-of-day generation), number of meters required (two vs. one), and flexibility (long-term contract vs. non-binding program enrollment).
- PCC1 – RPS Portfolio Content Category 1** – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as “in-state” renewables
- PCC2 – RPS Portfolio Content Category 2** – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.
- PCC3 – RPS Portfolio Content Category 3** – Unbundled RECPSPS – **Public Safety Power Shutoff** – An event in which the IOUs purposely turn off segments of the grid due to high risk of ignition and wildfires.
- PCIA or “exit fee”** – Power Charge Indifference Adjustment (PCIA) is an “exit fee” based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.
- Power Content Label (PCL)** – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).
- PPA – Power Purchase Agreement** – A contract used to purchase the energy, capacity and attributes from a renewable resource project.
- Prepay** – payment in advance by a municipal utility for a number of years of contracted energy, and this prepayment with tax-exempt debt
- RA – Resource Adequacy** – Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability. Today LSEs must procure no less than 115% of the peak hour load. In 2023 and 2024, this will increase to 116% and 117% respectively. Beginning in 2025 a new RA program will be implemented requiring LSEs show capacity to meet their hourly reliability needs, the “PRM” adder is still undetermined.
- RE – Renewable Energy** – Energy from a source that is not depleted when used, such as wind or solar power.
- REC – Renewable Energy Certificate** – A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.
- RPS – Renewable Portfolio Standard** – Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

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

SMUD – Sacramento Municipality Utility District

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

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

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

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

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

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



Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, February 11, 2026
7:00 pm

Sunnyvale Civic Center
456 W. Olive Ave
Sunnyvale, CA

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

DRAFT MEETING MINUTES

Call to Order:

Chair Klein called the meeting to order at 7:11 p.m.

Roll Call

Present:

Larry Klein (Chair), Sunnyvale
Sally Meadows (Vice Chair), Los Altos
Elliot Scozzola, Campbell
Zach Hilton, Gilroy (participated remotely)
George Tyson, Los Altos Hills
Rob Rennie, Los Gatos
Garry Barbadillo, Milpitas
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (participated remotely)
Pat Showalter, Mountain View
Chuck Page, Saratoga
Otto Lee, Santa Clara County

Absent:

R "Ray" Wang, Cupertino

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar (Action)

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

- 1a) Approve Minutes of the January 14, 2026, Board of Directors Meeting
- 1b) Receive December 2025 Treasurer Report
- 1c) Receive SVCE Rate Schedules Effective January 1, 2026

- 1d) Approve 2026 Updates to Exhibit C, Annual Energy Use, and Exhibit D, Voting Shares, of the SVCE Joint Powers Agreement
- 1e) Receive December 2025 Decarbonization Strategy and Programs Quarterly Report
- 1f) Authorize the Chief Executive Officer to Execute an Amendment to the Renewable Power Purchase Agreement with ORNI 50 LLC and Any Necessary Ancillary Agreements and Documents to Extend the Term by Five Years, Increase the Capacity to 7.5 Megawatts and Set a New Not-to-Exceed Amount of \$72,500,000
- 1g) Authorize the Chief Executive Officer to Execute an Agreement with CLEAResult to Provide Technical Assistance Services for the Community Grants Program with a Not-to-Exceed Amount of \$300,000
- 1h) Receive Executive Committee Report
- 1i) Receive Additional Committees Report
- 1j) Receive California Community Power Report

MOTION: Director Mekechuk moved and Director Lee seconded the motion to approve the Consent Calendar, Items 1a through 1j.

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

Regular Calendar

2) CEO Report (Informational)

CEO Padilla addressed the following in her report:

- Introduction to new SVCE employee, Liyang Wang, Senior Forecasting and Planning Analyst, who provided brief welcome comments;
- Community Impact reports highlighting each member agency;
- Highlights from Bena Chang, Director of Government and Legislative Affairs, on attendance to CalCCA's Lobby Day in Sacramento and a tour of PG&E's Diablo Canyon Power Plant; and
- A legislative update from Director of Government and Legislative Affairs Chang on the Power Charge Indifference Adjustment (PCIA), including the introduction of Assembly Bill (AB) 1761.

Staff responded to questions regarding copies of the Community Impact reports, potential legislation regarding the Diablo Canyon Power Plant, cost effects of the Diablo Canyon Power Plant, and the federal government's interest in nuclear.

Other Board member attendees from the Diablo Canyon Power Plant tour shared their feedback on the tour and what was learned.

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

3) Appoint Members to 2026 SVCE Committees (Action)

Andrea Pizano, Sr. Executive Assistant and Board Clerk, reviewed the members interested in serving on SVCE's 2026 committees as follows:

2026 Legislative Ad Hoc Committee

1. Dir. Zach Hilton, Gilroy
2. Dir. Garry Barbadillo, Milpitas
3. Dir. Bryan Mekechuk, Monte Sereno
4. Dir. Yvonne Martinez Beltran, Morgan Hill
5. Dir. Pat Showalter, Mountain View
6. Alt. Dir. Tina Walia, Saratoga

Finance and Administration Committee

1. Dir. Elliot Scozzola, Campbell
2. Alt. Dir. Maria Ristow, Los Gatos
3. Dir. Bryan Mekechuk, Monte Sereno
4. Dir. Chuck Page, Saratoga
5. Alt. Dir. Murali Srinivasan, Sunnyvale

Audit Committee

1. Harjot Sangha, Finance Director, Gilroy
*nominated by Dir. Zach Hilton
2. Jessie Kim, Finance Director, Los Altos
*nominated by Vice Chair Sally Meadows
3. Dir. George Tyson, Los Altos Hills
4. Dir. Bryan Mekechuk, Monte Sereno*

**Director Mekechuk would like to be appointed to the Audit Committee to see the completion of the Fiscal Year 2024-25 financial audit. Following the conclusion of the Audit, Dir. Mekechuk intends to resign from the Audit Committee*

Chair Klein opened the floor for additional Board members interested in serving on committees to express their interest; there were none.

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

MOTION: Director Tyson moved and Vice Chair Meadows seconded the motion to approve the 2026 committees as presented by staff.

The motion carried by roll call vote with Director Wang absent.

4) Approve New May Board of Directors Regular Meeting Date (Action)

Board Clerk Pizano presented a request to the Board to select an alternative meeting date in May due to a conflict with the annual CalCCA Conference on May 13.

Board members shared their availability for the proposed meeting date of May 15, 2026; Chair Klein noted the meeting date could be identified and a poll would be distributed to select a time that works best for a majority of the Board.

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

MOTION: Director Mekechuk moved and Director Showalter seconded the motion to approve the SVCE Board of Directors May 15, 2026 Special Meeting.

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

5) Adopt Resolution 2026-04 Revising the General and Administrative Policy 9: Hybrid Meetings to Set Preferences for Participation Rules and Incorporate Changes from SB 707 (2025) (Action)

Michael Callahan, General Counsel, presented a request to the Board to approve revisions to the SVCE Hybrid Meetings Policy to set preferences for participation rules and to include changes from Senate Bill (SB) 707. General Counsel Callahan reviewed the remote meeting options which included: traditional Brown Act rules, Disability (ADA) accommodations, Just Cause, and Multijurisdictional bodies.

Staff responded to Board member questions on agenda posting requirements, participation by a primary Board member remotely and an Alternate Director in person, clarification on multijurisdictional bodies and providing advance notice, request for the addition of the noticing requirement on the diagram provided by staff, potential loss of communication and connectivity from participants using the various remote options, loss of connectivity to Zoom from the main in-person meeting space, and clarification that no formal Board approval is needed to use the remote options.

Chair Klein opened Public Comment.

No speakers.

Chair Klein closed Public Comment.

MOTION: Director Mekechuk moved and Vice Chair Meadows seconded the motion to adopt Resolution 2026-04 making changes to the General and Administrative Policy 9: Hybrid Meetings (“Policy”) to incorporate changes from Senate Bill (SB) 707 (2025) and updating rules which includes:

- **modifying participation rules under traditional hybrid/remote participation**
- **allowing for remote participation for just cause;**
- **allowing for remote participation for multijurisdictional bodies; and**
- **including a reference to the option for accommodation under the ADA**

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

6) Power Charge Indifference Adjustment Briefing (Informational)

CEO Padilla introduced the item; Maren Wenzel, Director of Regulatory, Policy and Planning, and Adam Pearse, Senior Regulatory Analyst and Associate General Counsel, presented an overview of the PCIA’s purpose and mechanics, the PCIA’s impact to SVCE, and provided a regulatory update.

Staff responded to questions and comments on why all of the investor-owned utilities’ (IOU) old renewable contracts haven’t rolled off yet, inquiry on if there should be an independent financial auditor auditing the PCIA, potential legislative changes, if the PCIA is only for CCAs, the earliest vintage, if any CCAs have gone bankrupt as a result of the PCIA, if there is a sunset date for the PCIA, if the PCIA is unique by service territory for each IOU, lag time for the true-up, and what percentage of the PCIA is legacy contracts.

Chair Klein opened Public Comment.

Bruce Karney commented his belief that the PCIA can be compared to alimony.

Chair Klein closed Public Comment.

Board Member Announcements and Future Agenda Items

None.

Adjourn

Chair Klein adjourned the meeting at 9:03 p.m.

ATTEST:

Andrea Pizano, Board Secretary



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

Wednesday, February 11, 2026

6:15 pm

Sunnyvale Civic Center
456 W. Olive Ave
Sunnyvale, CA

DRAFT MEETING MINUTES

Call to Order:

Chair Klein called the meeting to order at 6:17 p.m.

Roll Call

Present:

Larry Klein (Chair), Sunnyvale
Sally Meadows (Vice Chair), Los Altos
Elliot Scozzola, Campbell
George Tyson, Los Altos Hills
Rob Rennie, Los Gatos
Bryan Mekechuk, Monte Sereno
Pat Showalter, Mountain View
Chuck Page, Saratoga
Otto Lee, Santa Clara County

Absent:

R "Ray" Wang, Cupertino
Zach Hilton, Gilroy
Garry Barbadillo, Milpitas
Yvonne Martinez Beltran, Morgan Hill

Public Comment on Matters Not Listed on the Agenda

No speakers.

Regular Calendar

1) Receive Update on Communications and Marketing Strategy (Informational)

Monica Padilla, Chief Executive Officer, introduced the item and Pamela Leonard, Deputy Director of Marketing and Communications, presented an overview of SVCE's communications and marketing strategy and examples of campaigns used to engage customers with SVCE resources, offers, and services.

Deputy Director of Marketing and Communications Leonard provided prompt questions for feedback from the Board which included:

- At this ten-year juncture, what innovations or achievements are you most proud of? What is the story you'd like to see told?; and
- What is the SVCE trajectory over the next decade – its role in people's lives and role in the community?

Board members shared their responses to the prompts, in addition to questions and comments on: SVCE campaigns, messaging, media, program marketing, emission reductions, potential headwinds, marketing strategy, utilizing board member networks, CARE/FERA customer outreach, education, and highlighting customer stories.

Chair Klein opened Public Comment.

Bruce Karney, Mountain View resident, commented on the following: 1) his attendance at the Bay Area Air District's Stationary Source Committee meeting and his request that SVCE Marketing and Communications staff leverage their communication ability to help build awareness among the public and among elected officials that Rules 9-4 and 9-6 need to be implemented on time, and 2) his experience installing a heat pump HVAC system and his surprise at the cost to properly dispose of old air conditioners, and an ask if other disposal companies can incentivize people to bring in old air conditioners for safe disposal.

Chair Klein closed Public Comment.

Adjourn

Chair Klein adjourned the meeting at 7:05 p.m.

ATTEST:

Andrea Pizano, Board Secretary



TREASURER REPORT

**Fiscal Year to Date
As of January 31, 2026**

(Preliminary & Unaudited)

Issue Date: March 11, 2026

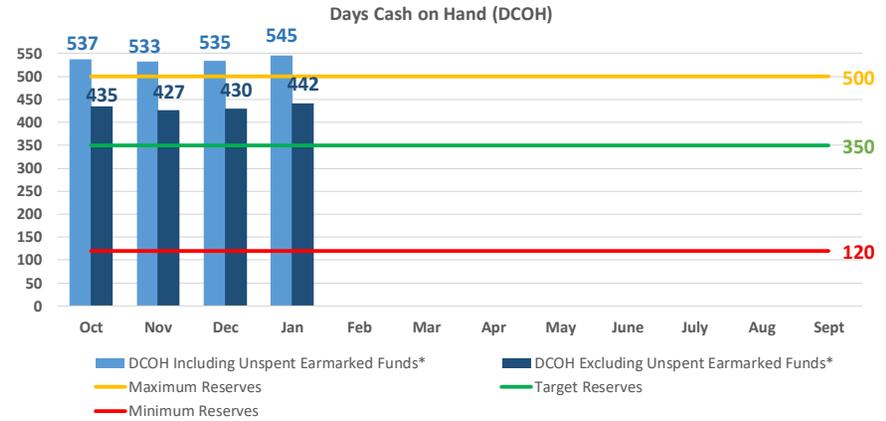
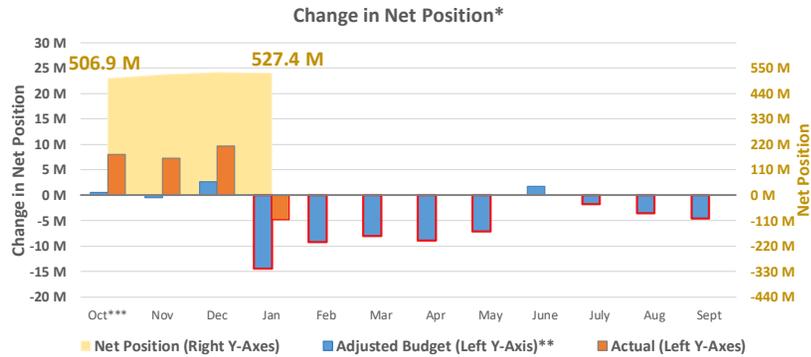
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SILICON VALLEY CLEAN ENERGY AUTHORITY Financial Statement Highlights (\$ in millions) January 31, 2026

Balance Sheet Highlights:

- > SVCE operations resulted in a decrease in net position of \$4.8 million for the month of January or an increase of \$20.3 million for the first four months of the fiscal year 2025-2026 (FYTD).
- > Total Net Position decreased to \$527.4 million from \$532.2 million at the end of December 2025.
- > SVCE is investing ~99.6% of available funds, recognizing interest/dividend income of \$8M FYTD.



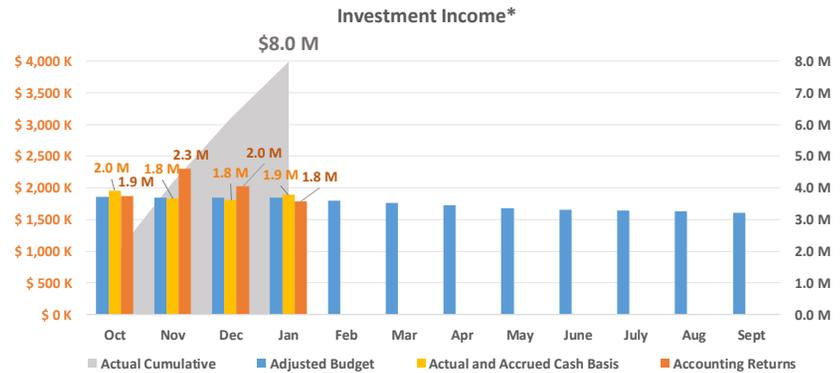
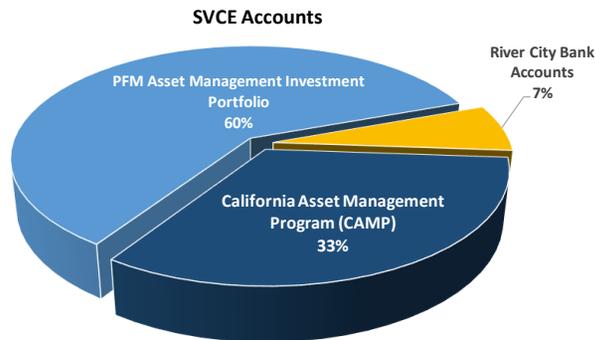
*Does not yet recognize unspent program dollars
 **For reconciliation purposes, budget numbers include actual program expenses and depreciation, excludes GASP 96 expenses.
 *** Displays the starting fiscal year net position on Oct. 1, 2025, of \$506.9M.

* Earmarked funds are unspent SVCE program and building funds.
 DCOH includes rate stabilization funds. January 2026 reflects sizable collection of receivables and \$780K of unsettled trades.
 DCOH is computed as Cash and cash equivalents plus investments divided by daily budgeted expenditures.
 October, 2025 results are updated per the Adjusted Budget adopted in December 2025.

SVCE Yield-bearing Accounts:

Combined Ending Balance*	601.5 M
Total Interest/Div. Earned FYTD	8.0 M
Average Yield to Maturity**	3.82%

* Includes River Bank accounts - Money Market, Collateral and ICS; CAMP; PFMAM Portfolio
 ** Average annualized yield for the current month. Investment yields are measured to maturity at market.



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

SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights** (\$ in millions)
January 31, 2026

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

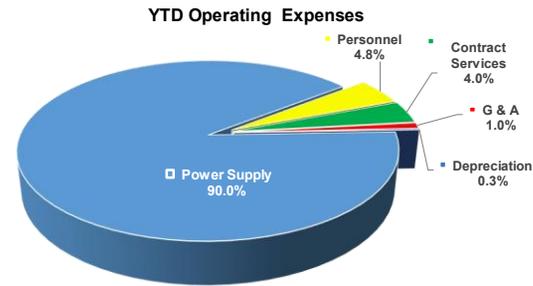
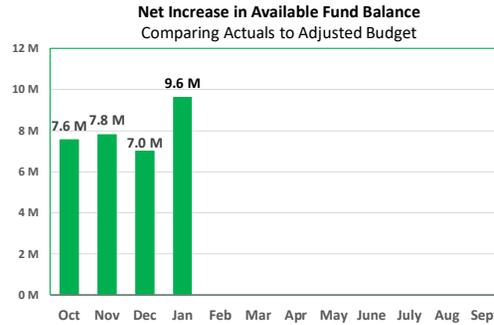
- > Operating margin of \$28.4 million (or 20%) was significantly above the Adjusted Budget expectations of \$0.9M (1%) operating margin for the fiscal year to date.
- > FY 2025 Power Supply costs were -17% below Adjusted Budget FYTD.
- > Retail GWh sales landed -2.8% below Adjusted Budget for the month of January but still remained 1% higher for the fiscal year to date.

Variance Explanation:

October & December - Primarily due to declines in power supply costs due to lower prices. Additionally, increased customer demand/revenues along with lower operating expenses further improved the net position.

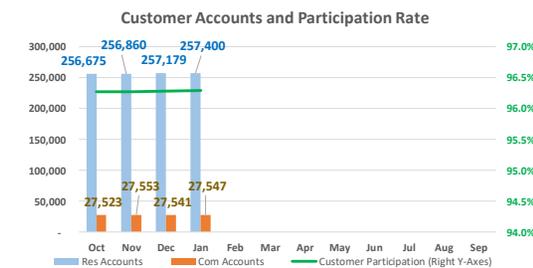
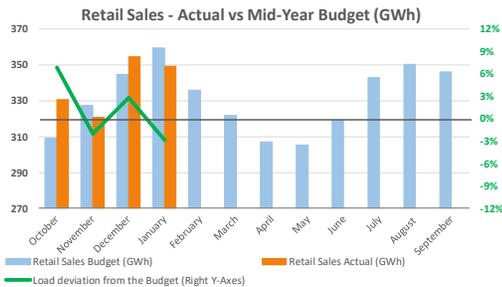
November - weaker revenues due to lower customer demand were offset by lower power supply cost.

January - higher revenues from improvement in SVCE margins and lower power supply cost.



\$ in millions	January			Fiscal YTD			Main Drivers:
	Actual	Adj. Budget	% Dif	Actual	Adj. Budget	% Dif	
Revenue	23.8 M	21.6 M	10%	139.3 M	135.1 M	3%	<ul style="list-style-type: none"> • Higher YTD customer demand plus \$1.3M liquidated damage payments. • Lower costs are mostly due to decline in energy/attribute prices and the timing of invoicing. • Staffing vacancies, underrunning professional services, and lower marketing expenses. • Reflects budgetary transfers to program and building funds offset by investment income. • Reflects budgetary transfers to program and building funds offset by higher investment income.
Power Supply Cost	26.0 M	32.9 M	-21%	110.9 M	134.2 M	-17%	
Operating Margin	-2.2 M	-11.3 M	-81%	28.4 M	0.9 M	2942%	
Operating Expenses (ex Power)	3.1 M	3.6 M	-14%	10.6 M	14.4 M	-26%	
Other Non-Op. Expen. (Income)	-1.8 M	-1.8 M	-1%	4.8 M	5.5 M	-13%	
Net Increase in Available Fund Balance	-3.5 M	-13.1 M	-73%	13.0 M	-19.0 M	-168%	

Customer Load Statistics:



Total Accounts	284,947
Opt-Out Accounts (Month)	19
Opt-Out Accounts (FYTD)	65
Opt-Up Accounts (Month)	-
Opt-Up Accounts (FYTD)	(19)

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	\$ 76,714,107	\$ 79,244,555	\$ 7,251,000	\$ 4,720,552
CRCR Fund*	\$ 4,911,889	\$ 4,436,244	\$ -	\$ 475,645
Electrification Discount Fund	\$ 8,740,312	\$ 8,740,312	\$ -	\$ -
Nuclear & Hanford Prog. Funds	\$ 7,691,455	\$ 7,650,181	\$ -	\$ 41,274
Building Fund	\$ 8,214,310	\$ 13,246,424	\$ 5,500,000	\$ 467,886

* Customer Relief and Community Resilience Fund

** The financial results in this report are preliminary and subject to change pending the closing of the books for the fiscal year.

SILICON VALLEY CLEAN ENERGY AUTHORITY

**STATEMENT OF NET POSITION
As of January 31, 2026**

ASSETS

Current Assets

Cash & Cash Equivalents*	\$ 247,624,732
Accounts Receivable, net of allowance	27,894,935
Accrued Revenue	15,970,621
Other Receivables	16,013,903
Prepaid Expenses	6,576,996
Deposits	1,000,317
Investments	92,914,696
Cash equivalents - restricted	<u>1,251,502</u>
Total Current Assets	409,247,702

Noncurrent assets

Investments**	266,527,338
Capital assets, net of depreciation	<u>14,026,888</u>
Total Noncurrent Assets	280,554,226
Total Assets	689,801,928

LIABILITIES

Current Liabilities

Accrued Cost of Electricity	46,932,597
Accounts Payable	1,910,187
Other accrued liabilities	2,895,367
User Taxes and Energy Surcharges due to other gov'ts	1,127,802
Information technology subscription liability	<u>518,057</u>
Total Current Liabilities	53,384,010

Noncurrent Liabilities

Information technology subscription liability	511,779
Supplier security deposits	<u>8,478,125</u>
Total noncurrent liabilities	8,989,904
Total Liabilities	62,373,914

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>100,000,000</u>
-------------------------	--------------------

NET POSITION

Net investment in capital assets	14,026,888
Restricted for security collateral	1,251,502
Unrestricted (deficit)	<u>512,149,624</u>
Total Net Position	\$ 527,428,014

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

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

SILICON VALLEY CLEAN ENERGY AUTHORITY

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

October 1, 2025 through January 31, 2026

OPERATING REVENUES	
Electricity Sales, Net	\$ 137,124,468
GreenPrime electricity premium	821,245
Liquidated damages	<u>1,349,039</u>
TOTAL OPERATING REVENUES	<u>139,294,752</u>
 OPERATING EXPENSES	
Cost of Electricity	110,909,204
Contract services	4,944,989
Staff compensation and benefits	5,881,372
Program incentives	3,687,125
Other operating expenses	1,204,206
Depreciation and amortization	<u>318,419</u>
TOTAL OPERATING EXPENSES	<u>126,945,315</u>
OPERATING INCOME(LOSS)	<u>12,349,437</u>
 NONOPERATING REVENUES (EXPENSES)	
Investment Income	7,968,214
Financing costs	<u>(23,041)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>7,945,173</u>
 CHANGE IN NET POSITION	 20,294,610
Net Position at beginning of period	<u>507,133,404</u>
Net Position at end of period	<u>\$ 527,428,014</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2025 through January 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 151,642,394
Receipts of liquidated damages	1,349,039
Receipts of wholesale sales	15,581,434
Payments to suppliers for electricity	(141,299,952)
Payments of security deposits	(90,000)
Payments for other goods and services	(8,337,211)
Payments for program incentives	(3,915,411)
Payments for staff compensation and benefits	(5,871,818)
Tax and surcharge payments to other governments	(3,938,740)
Net cash provided (used) by operating activities	<u>5,119,735</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of subscription liability and related interest	(140,408)
Acquisition of capital assets	(395,321)
Net cash provided (used) by capital and related financing activities	<u>(535,729)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	7,257,422
Proceeds from investment sales	44,109,853
Purchase of investments	(122,812,093)
Net cash provided (used) by investing activities	<u>(71,444,818)</u>

Net change in cash and cash equivalents	(66,860,812)
Cash and cash equivalents at beginning of year	315,737,046
Cash and cash equivalents at end of period	<u>\$ 248,876,234</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted	247,624,732
Cash equivalents - restricted	1,251,502
Total cash and cash equivalents	<u>\$ 248,876,234</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2025 through January 31, 2026

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

Operating Income (loss)	\$	12,349,437
 Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense		318,419
(Increase) decrease in accounts receivable		(4,800,914)
(Increase) decrease in accrued revenue		15,126,453
(Increase) decrease in other receivables		10,014,306
(Increase) decrease in prepaid expenses		(5,730,989)
(Increase) decrease in current deposits		(119,000)
Increase (decrease) in accrued cost of electricity		(20,015,143)
Increase (decrease) in accounts payable		(737,299)
Increase (decrease) in accrued liabilities		(717,934)
Increase (decrease) in taxes and surcharges due to other governments		(567,601)
Net cash provided (used) by operating activities	\$	<u>5,119,735</u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$	656,556
Change in interest receivable	\$	54,236

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026

	FYTD <u>Actual*</u>	FYTD <u>Adjusted Budget</u>	<u>Variance</u> \$	%	FY 2024-25 <u>Adjusted Budget</u>	FY 2024-25 <u>Remaining Budget</u>
OPERATING REVENUES						
Energy Sales	\$138,504,116	\$136,012,673	\$ 2,491,443	2%	\$321,123,118	\$182,619,002
Green Prime Premium	821,245	\$843,799	(22,554)	-3%	\$2,468,912	1,647,667
Customer bill relief (existing CARE/FERA)*	(1,379,648)	(1,715,378)	335,730	-20%	-\$4,268,498	-
Other Income	1,349,039	-	1,349,039	n/a	\$0	(1,349,039)
TOTAL OPERATING REVENUES	139,294,752	135,141,095	4,153,657	3%	319,323,532	182,917,630
ENERGY EXPENSES						
Power Supply	110,909,204	134,208,108	(23,298,904)	-17%	344,220,910	233,311,706
Operating Margin	28,385,548	932,986	27,452,562	2942%	(24,897,378)	(50,394,076)
OPERATING EXPENSES						
Data Management	1,202,172	1,254,540	(52,368)	-4%	3,763,620	2,561,448
PG&E Fees	401,725	522,900	(121,175)	-23%	1,568,700	1,166,975
Salaries & Benefits	5,881,372	6,290,123	(408,751)	-6%	18,870,370	12,988,998
Professional Services	1,315,730	3,633,919	(2,318,189)	-64%	10,901,756	9,586,026
Marketing & Promotions	547,444	782,250	(234,806)	-30%	2,346,750	1,799,306
General & Administrative	1,253,697	1,914,010	(660,313)	-34%	5,742,030	4,488,333
TOTAL OPERATING EXPENSES	10,602,140	14,397,742	(3,795,602)	-26%	43,193,226	32,591,086
OPERATING INCOME/(LOSS)	17,783,408	(13,464,756)	31,248,164	-232%	(68,090,604)	(85,874,012)
NON-OPERATING REVENUES						
Investment Income	7,968,214	7,393,351	574,863	8%	20,882,403	12,914,189
TOTAL NON-OPERATING REVENUES	7,968,214	7,393,351	574,863	8%	20,882,403	12,914,189
NON-OPERATING EXPENSES						
Financing	18,489	9,533	8,956	94%	28,600	10,111
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	-	170,667	(170,667)	-100%	512,000	512,000
Building Fund	5,500,000	5,500,000	-	0%	5,500,000	-
Transfer to Programs Fund	7,251,000	7,251,000	-	0%	7,251,000	-
TOTAL OTHER USES	12,751,000	12,921,667	(170,667)	-1%	13,263,000	512,000
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	\$ 12,982,133	\$ (19,002,605)	\$ 31,984,738	-168%	-\$60,499,802	-\$73,481,935

* Does not include Customer Bill Relief credit amount for the month of January, 2026 due to billing data processing delay.

**OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2025 through January 31, 2026**

Net Increase (decrease) in available fund balance per budgetary comparison schedule	\$ 12,982,133
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position	
Subtract depreciation expense	(318,419)
Subtract program expense not in operating budget	(5,237,471)
Add back portion of lease payment applied to reduce lease liability	117,367
Add back transfer to Program funds	12,751,000
Add back capital asset acquisition	-
Change in Net Position	<u>20,294,610</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
GENERAL PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfers in - General Programs	\$ 7,251,000	\$ 7,251,000	\$ -	100.0%
Total	\$ 7,251,000	\$ 7,251,000	\$ -	
EXPENDITURES & OTHER USES:				
Program expenditures	22,242,570	4,720,552	17,522,018	21.2%
Net increase (decrease) in fund balance	<u>\$ (14,991,570)</u>	<u>\$ 2,530,448</u>		
Fund balance at beginning of period		<u>76,714,107</u>		
Fund balance at end of period		<u><u>\$79,244,555</u></u>		

**CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund	\$ -		\$ -	n/a
EXPENDITURES & OTHER USES:				
Other program expenditures	<u>963,704</u>	<u>475,645</u>	<u>488,059</u>	49.4%
Total Program expenditures	<u>963,704</u>	<u>475,645</u>	<u>488,059</u>	
Net increase (decrease) in fund balance	<u>\$ (963,704)</u>	<u>\$ (475,645)</u>		
Fund balance at beginning of period		<u>4,911,889</u>		
Fund balance at end of period		<u><u>\$4,436,244</u></u>		

**ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund	\$ -	\$ -	\$ -	n/a
EXPENDITURES & OTHER USES:				
Program expenditures	4,500,000	-	4,500,000	0.0%
Net increase (decrease) in fund balance	<u>\$ (4,500,000)</u>	<u>0</u>		
Fund balance at beginning of period		<u>8,740,312</u>		
Fund balance at end of period		<u>\$8,740,312</u>		

**BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer in - Building Fund	\$ 5,500,000	\$ 5,500,000	\$ -	100.0%
EXPENDITURES & OTHER USES:				
Capital outlay	8,421,000	467,886		
Other building expenditures		<u>-</u>	-	
		467,886		
Net increase (decrease) in fund balance	<u>\$ (2,921,000)</u>	<u>5,032,114</u>		
Fund balance at beginning of period		<u>8,214,310</u>		
Fund balance at end of period		<u>\$13,246,424</u>		

**NUCLEAR AND HANFORD PROGAM FUNDS
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through January 31, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfers in - Nuclear Allocation	\$ -	\$ -		
Transfer in - Hanford Emissions Mitigation Fund	\$ -	\$ -	\$ -	n/a
Total	\$ -	\$ -	\$ -	
 EXPENDITURES & OTHER USES:				
Program expenditures	<u>2,142,000</u>	<u>41,274</u>	2,100,726	
Net increase (decrease) in fund balance	<u>\$ (2,142,000)</u>	<u>-\$41,274</u>		
Fund balance at beginning of period		<u>7,691,455</u>		
Fund balance at end of period		<u>\$7,650,181</u>		

**SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2025 through January 31, 2026**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	\$ 38,508,886	\$ 35,571,690	\$ 39,479,027	\$ 23,564,865									\$ 137,124,468
Green electricity premium	\$ 204,210	\$ 186,390	\$ 198,040	\$ 232,605									821,245
Liquidated damages	\$ 5,750	\$ 21,750	\$ 1,316,832	\$ 4,707									1,349,039
Other Income													-
Total operating revenues	38,718,846	35,779,830	40,993,899	23,802,177	-	-	-	-	-	-	-	-	139,294,752
OPERATING EXPENSES													
Cost of electricity	28,412,034	\$ 27,405,294	\$ 29,131,307	\$ 25,960,569									110,909,204
Staff compensation and benefits	1,276,785	\$ 1,267,182	\$ 1,428,500	\$ 1,908,905									5,881,372
Data manager	301,259	\$ 299,868	\$ 300,270	\$ 300,775									1,202,172
Service fees - PG&E	100,223	\$ 100,352	\$ 100,467	\$ 100,683									401,725
Consultants and other professional fees	899,290	\$ 895,784	\$ 816,525	\$ 729,493									3,341,092
Program incentives	1,146,022	\$ 394,408	\$ 1,199,900	\$ 946,795									3,687,125
Other operating expenses	279,315	\$ 291,015	\$ 298,184	\$ 335,692									1,204,206
Depreciation	79,605	\$ 79,605	\$ 79,605	\$ 79,604									318,419
Total operating expenses	32,494,533	30,733,508	33,354,758	30,362,516	-	-	-	-	-	-	-	-	126,945,315
Operating income (loss)	6,224,313	5,046,322	7,639,141	(6,560,339)	-	-	-	-	-	-	-	-	12,349,437
NONOPERATING REVENUES (EXPENSES)													
Grant income	-												-
Interest income	1,865,552	\$ 2,295,828	\$ 2,025,849	\$ 1,780,985									7,968,214
Financing costs	(3,797)	\$ (7,922)	\$ (5,626)	\$ (5,696)									(23,041)
Total nonoperating revenues (expenses)	1,861,755	2,287,906	2,020,223	1,775,289	-	-	-	-	-	-	-	-	7,945,173
CHANGE IN NET POSITION	\$ 8,086,068	\$ 7,334,228	\$ 9,659,364	\$ (4,785,050)	\$ -	\$ 20,294,610							

**SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2025 through January 31, 2026**

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 40,453,602	\$ 39,908,498	\$ 40,045,114	\$ 49,361,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	\$ 204,479,801	\$ 198,168,622	\$ 198,832,731	\$ 199,483,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio	\$ 361,652,377	\$ 359,561,190	\$ 360,891,157	\$ 362,655,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Ending Balance	\$ 606,585,779	\$ 597,638,310	\$ 599,769,003	\$ 611,499,950	\$ -							

Return on Investments:

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	3.92%	3.70%	4.07%	4.03%								
California Asset Management Program (CAMP)	4.26%	4.10%	3.95%	3.85%								
PFM Asset Management Investment Portfolio *	3.90%	3.82%	3.74%	3.77%								
Average Return On Investments:	4.02%	3.91%	3.83%	3.82%								

* Yield to Maturity at Market.

Accounting Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 20,457	\$ 13,570	\$ 56,716	\$ 81,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	\$ 825,532	\$ 688,821	\$ 664,109	\$ 650,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Interest Income	\$ 4,447	\$ 3,138	\$ 1,919	\$ 1,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio *	\$ 1,017,502	\$ 1,590,299	\$ 1,303,104	\$ 1,047,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interest and Investment Gains	\$ 1,867,938	\$ 2,295,828	\$ 2,025,848	\$ 1,780,985	\$ -							

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

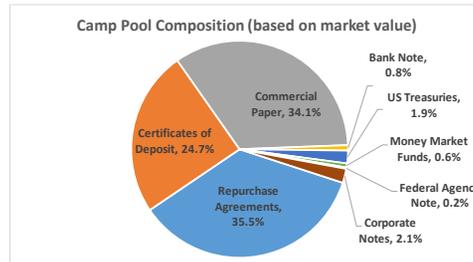
Actual and Accrued Cash Basis Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 20,457	\$ 13,570	\$ 56,716	\$ 81,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Camp Pool Composition (based on market value):	\$ 825,532	\$ 688,821	\$ 664,109	\$ 650,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Interest Income	\$ 4,447	\$ 3,138	\$ 1,919	\$ 1,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio *	\$ 1,111,671	\$ 1,125,280	\$ 1,086,434	\$ 1,159,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interest and Investment Gains	\$ 1,962,107	\$ 1,830,809	\$ 1,809,178	\$ 1,893,575	\$ -							

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

CAMP Portfolio Statistics

As of January 31, 2026

Beginning of the Month Market Value	\$ 198,832,731
Ending of The Month Market Value	\$ 199,483,109
Monthly Distribution Yield	3.85%
Weighted Average Maturity (days)	45

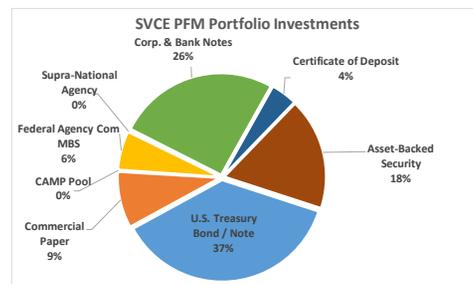


PFM Portfolio Statistics

As of January 31, 2026

Portfolio Par Value	\$ 359,999,161
Portfolio Market Value (incl. Accrued Interest)	\$ 362,655,540
Yield to Maturity at Cost	4.12%
Yield to Maturity at Market	3.77%
Benchmark Yield*	3.51%
Portfolio Effective Duration (years)	1.33
Weighted Average Maturity (days)	667

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



SVCE Investment Policy:

https://svcleanenergy.org/wp-content/uploads/FP-08_Investments.pdf

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

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
Retail Sales Actual (GWh)	330.4	320.7	354.3	349.2									1,355
Retail Sales Budget (GWh)	309.2	327.3	344.7	359.4	335.7	321.8	307.1	305.2	319.1	342.7	350.3	345.9	1,341
Load deviation from the Budget	6.8%	-2.0%	2.8%	-2.8%									1.0%
Customer Participation Rate Res	96.3%	96.3%	96.3%	96.3%									
Customer Participation Rate Com	96.5%	96.4%	96.5%	96.5%									
Total Accounts	284,198	284,413	284,720	284,947									284,947
Opt-Out Accounts	14	17	15	19									65
Opt-Up Accounts	-7	-6	-6	0									-19

Age Summary (as of 2/1/2026)

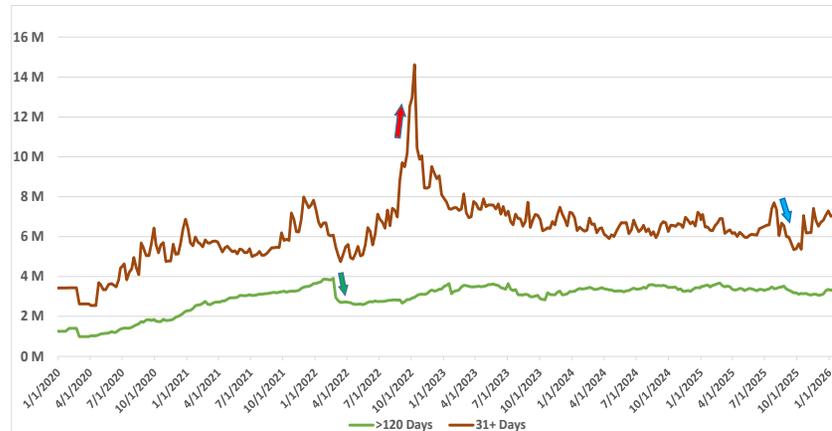
<30 days	\$24,729,258
<60 days	\$1,470,360
<90 days	\$1,043,043
<120 days	\$726,210
Older	\$3,324,640

Accounts Receivable Days	36 Days
\$31,293,511	
TOTAL DUE	

Bad Debt % (Budget)	0.75%
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Bad Debt % (Actual) January 2026 FYTD	0.36%
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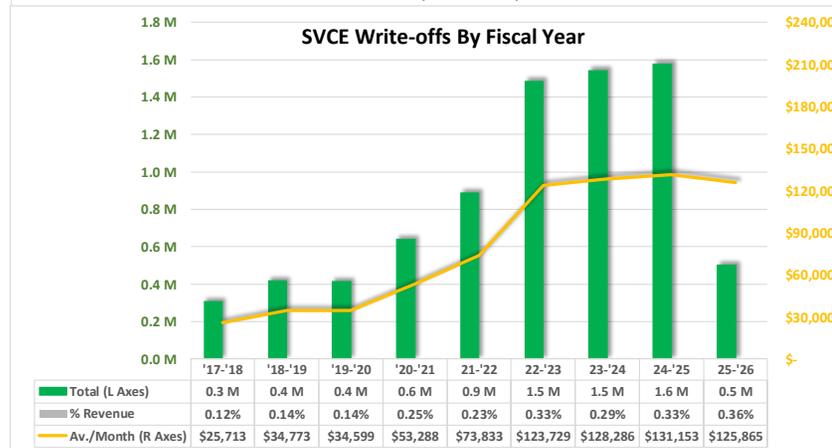
SVCE Arreager Total for customers 31+ days late and 120+ days late



	Date	Amount
High	11/29/2021	\$7.99M
Low	4/17/2020	\$2.54M
Current	2/1/2026	\$6.6 M

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

SVCE Write-offs By Fiscal Year



Silicon Valley Clean Energy

January 31, 2026

Certificate of Compliance

During the reporting period for the month ended January 31, 2026, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

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

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


Managed Account Security Transactions & Interest
For the Month Ending **January 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	01/05/26	01/08/26	CATERPILLAR FINL SERVICE DTD 01/08/2026 3.700% 01/10/2028	14913UBF6	1,250,000.00	(1,249,350.00)	0.00	(1,249,350.00)			
	01/06/26	01/13/26	NATIONAL AUSTRALIA BK/NY DTD 01/13/2026 3.850% 12/13/2028	632525CQ2	430,000.00	(429,845.20)	0.00	(429,845.20)			
	01/07/26	01/12/26	TOYOTA MOTOR CREDIT CORP DTD 01/12/2026 3.750% 01/12/2028	89236TPF6	1,395,000.00	(1,393,828.20)	0.00	(1,393,828.20)			
	01/07/26	01/14/26	COOPERAT RABOBANK UA/NY DTD 01/14/2026 3.743% 01/14/2028	21688ABR2	835,000.00	(835,000.00)	0.00	(835,000.00)			
	01/08/26	01/13/26	US TREASURY N/B DTD 12/15/2025 3.500% 12/15/2028	91282CPP0	3,600,000.00	(3,595,640.63)	(10,038.46)	(3,605,679.09)			
	01/08/26	01/14/26	GMCAR 2026-1 A2A DTD 01/14/2026 3.770% 03/16/2029	362970AB1	715,000.00	(714,997.71)	0.00	(714,997.71)			
	01/12/26	01/15/26	US TREASURY N/B DTD 12/15/2025 3.500% 12/15/2028	91282CPP0	1,500,000.00	(1,496,015.63)	(4,471.15)	(1,500,486.78)			
	01/12/26	01/21/26	HALST 2026-A A3 DTD 01/21/2026 3.970% 12/15/2028	448970AD5	815,000.00	(814,880.52)	0.00	(814,880.52)			
	01/13/26	01/21/26	TAOT 2026-A A2A DTD 01/21/2026 3.800% 12/15/2028	89240KAB4	1,665,000.00	(1,664,972.36)	0.00	(1,664,972.36)			
	01/14/26	01/22/26	BANK OF NY MELLON CORP (CALLABLE) DTD 01/22/2026 4.026% 01/22/2030	06406RCG0	340,000.00	(340,000.00)	0.00	(340,000.00)			
	01/15/26	01/20/26	MORGAN STANLEY (CALLABLE) DTD 01/20/2026 4.238% 01/09/2030	61748UAR3	675,000.00	(675,000.00)	0.00	(675,000.00)			
	01/15/26	01/23/26	WELLS FARGO & COMPANY (CALLABLE) DTD 01/23/2026 4.182% 01/23/2030	95000U4D2	605,000.00	(605,000.00)	0.00	(605,000.00)			
	01/21/26	01/26/26	PNC FINANCIAL SERVICES (CALLABLE) DTD 01/26/2026 4.075% 01/26/2029	693475CG8	800,000.00	(800,000.00)	0.00	(800,000.00)			
	01/29/26	02/05/26	PACCAR FINANCIAL CORP DTD 02/05/2026 3.900% 02/05/2029	69371RU38	780,000.00	(779,672.40)	0.00	(779,672.40)			
Transaction Type Sub-Total					15,405,000.00	(15,394,202.65)	(14,509.61)	(15,408,712.26)			

INTEREST


Managed Account Security Transactions & Interest
For the Month Ending **January 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/01/26	01/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72		0.00	4,486.46	4,486.46			
	01/01/26	01/25/26	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5		0.00	779.20	779.20			
	01/01/26	01/25/26	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41		0.00	2,996.89	2,996.89			
	01/01/26	01/25/26	FHMS K076 A2 DTD 05/01/2018 3.900% 04/01/2028	3137FEZU7		0.00	3,900.00	3,900.00			
	01/01/26	01/25/26	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64		0.00	312.02	312.02			
	01/01/26	01/25/26	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9		0.00	2,617.76	2,617.76			
	01/01/26	01/25/26	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,934.38	1,934.38			
	01/01/26	01/25/26	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	2,299.28	2,299.28			
	01/01/26	01/25/26	FNA 2018-M2 A2 DTD 02/01/2018 2.928% 01/01/2028	3136B0YM2		0.00	2,808.18	2,808.18			
	01/01/26	01/25/26	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7		0.00	2,209.37	2,209.37			
	01/01/26	01/25/26	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7		0.00	2,361.77	2,361.77			
	01/01/26	01/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	2,727.38	2,727.38			
	01/01/26	01/25/26	FNA 2024-M6 A2 DTD 11/01/2024 2.904% 07/01/2027	3136BTGM9		0.00	4,839.90	4,839.90			
	01/01/26	01/25/26	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	572.66	572.66			
	01/01/26	01/25/26	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
	01/01/26	01/25/26	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	1,260.51	1,260.51			
	01/01/26	01/25/26	FHMS K067 A2 DTD 09/01/2017 3.194% 07/01/2027	3137FAWS3		0.00	4,591.38	4,591.38			



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/01/26	01/25/26	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82		0.00	6,433.28	6,433.28			
	01/01/26	01/25/26	FHMS K079 A2 DTD 08/01/2018 3.926% 06/01/2028	3137FGZT5		0.00	4,907.50	4,907.50			
	01/01/26	01/25/26	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRES		0.00	1,796.12	1,796.12			
	01/07/26	01/07/26	CATERPILLAR FINL SERVICE (CALLABLE) DTD 01/08/2025 4.500% 01/07/2027	14913UAV2		0.00	22,500.00	22,500.00			
	01/08/26	01/08/26	CATERPILLAR FINL SERVICE DTD 01/08/2024 4.500% 01/08/2027	14913UAE0		0.00	7,087.50	7,087.50			
	01/08/26	01/08/26	JOHN DEERE CAPITAL CORP DTD 01/09/2025 4.500% 01/08/2027	24422EXY0		0.00	13,500.00	13,500.00			
	01/08/26	01/08/26	JOHN DEERE CAPITAL CORP DTD 01/08/2024 4.500% 01/08/2027	24422EXF1		0.00	9,000.00	9,000.00			
	01/09/26	01/09/26	MERCEDES-BENZ FIN NA DTD 01/11/2024 4.900% 01/09/2026	58769JAP2		0.00	19,600.00	19,600.00			
	01/09/26	01/09/26	COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9		0.00	14,550.00	14,550.00			
	01/09/26	01/09/26	AMERICAN HONDA FINANCE DTD 07/10/2024 4.900% 07/09/2027	02665WFK2		0.00	19,600.00	19,600.00			
	01/10/26	01/10/26	UBS AG STAMFORD CT (CALLABLE) DTD 01/10/2025 4.864% 01/10/2028	90261AAD4		0.00	14,105.60	14,105.60			
	01/12/26	01/12/26	MORGAN STANLEY BANK NA (CALLABLE) DTD 01/21/2025 5.016% 01/12/2029	61690DK72		0.00	17,054.40	17,054.40			
	01/15/26	01/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	468.07	468.07			
	01/15/26	01/15/26	US TREASURY N/B DTD 01/15/2025 4.250% 01/15/2028	91282CMF5		0.00	56,312.50	56,312.50			
	01/15/26	01/15/26	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	3,461.50	3,461.50			
	01/15/26	01/15/26	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3		0.00	21,875.00	21,875.00			



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/15/26	01/15/26	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1		0.00	2,938.33	2,938.33			
	01/15/26	01/15/26	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1		0.00	901.27	901.27			
	01/15/26	01/15/26	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7		0.00	492.87	492.87			
	01/15/26	01/15/26	HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3		0.00	6,102.00	6,102.00			
	01/15/26	01/15/26	HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1		0.00	1,787.34	1,787.34			
	01/15/26	01/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4		0.00	6,053.70	6,053.70			
	01/15/26	01/15/26	US TREASURY N/B DTD 01/16/2024 4.000% 01/15/2027	91282CJT9		0.00	70,000.00	70,000.00			
	01/15/26	01/15/26	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4		0.00	1,120.00	1,120.00			
	01/15/26	01/15/26	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3		0.00	384.26	384.26			
	01/15/26	01/15/26	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5		0.00	513.03	513.03			
	01/15/26	01/15/26	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2029	161571HV9		0.00	2,664.17	2,664.17			
	01/15/26	01/15/26	TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0		0.00	4,704.00	4,704.00			
	01/15/26	01/15/26	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2		0.00	3,116.21	3,116.21			
	01/15/26	01/15/26	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	1,239.43	1,239.43			
	01/15/26	01/15/26	USAOT 2025-A A3 DTD 10/09/2025 3.950% 12/17/2029	90327HAC3		0.00	1,497.71	1,497.71			
	01/15/26	01/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7		0.00	3,672.97	3,672.97			
	01/15/26	01/15/26	WOART 2025-D A2A DTD 10/15/2025 3.910% 02/15/2029	98165HAB3		0.00	6,516.67	6,516.67			


Managed Account Security Transactions & Interest

 For the Month Ending **January 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/15/26	01/15/26	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	1,473.25	1,473.25			
	01/15/26	01/15/26	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QAJ4		0.00	4,068.75	4,068.75			
	01/15/26	01/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	1,126.22	1,126.22			
	01/15/26	01/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2		0.00	2,263.65	2,263.65			
	01/15/26	01/15/26	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6		0.00	373.17	373.17			
	01/15/26	01/15/26	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	4,620.96	4,620.96			
	01/15/26	01/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5		0.00	949.08	949.08			
	01/15/26	01/15/26	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970QAE5		0.00	2,341.63	2,341.63			
	01/15/26	01/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	2,608.38	2,608.38			
	01/15/26	01/15/26	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/15/2029	14041NGE5		0.00	4,736.67	4,736.67			
	01/15/26	01/15/26	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8		0.00	762.74	762.74			
	01/15/26	01/15/26	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531OAB5		0.00	1,102.13	1,102.13			
	01/15/26	01/15/26	FORDO 2025-C A3 DTD 11/25/2025 3.900% 06/15/2030	34535LAD8		0.00	3,152.50	3,152.50			
	01/15/26	01/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	915.42	915.42			
	01/15/26	01/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7		0.00	2,422.84	2,422.84			
	01/15/26	01/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6		0.00	1,390.39	1,390.39			
	01/15/26	01/15/26	HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5		0.00	5,041.33	5,041.33			



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/15/26	01/15/26	HART 2025-C A2A DTD 09/17/2025 3.970% 07/17/2028	44935JAB2		0.00	8,237.75	8,237.75			
	01/15/26	01/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	1,131.42	1,131.42			
	01/15/26	01/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	1,188.84	1,188.84			
	01/15/26	01/15/26	JOHN DEERE CAPITAL CORP DTD 09/06/2024 4.200% 07/15/2027	24422EXV6		0.00	12,285.00	12,285.00			
	01/15/26	01/15/26	MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636QBA1		0.00	7,585.00	7,585.00			
	01/15/26	01/15/26	COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2		0.00	3,835.92	3,835.92			
	01/15/26	01/15/26	AMXCA 2025-1 A DTD 02/11/2025 4.560% 12/17/2029	02582JKM1		0.00	6,137.00	6,137.00			
	01/15/26	01/15/26	WOART 2025-C A2A DTD 08/13/2025 4.190% 10/16/2028	981936AB3		0.00	2,863.17	2,863.17			
	01/15/26	01/15/26	UNITEDHEALTH GROUP INC DTD 07/25/2024 4.750% 07/15/2026	91324PFF4		0.00	6,531.25	6,531.25			
	01/15/26	01/15/26	COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7		0.00	2,630.83	2,630.83			
	01/15/26	01/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	2,784.96	2,784.96			
	01/15/26	01/15/26	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6		0.00	234.02	234.02			
	01/15/26	01/15/26	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2		0.00	492.94	492.94			
	01/15/26	01/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0		0.00	1,041.70	1,041.70			
	01/15/26	01/15/26	NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0		0.00	1,441.93	1,441.93			
	01/15/26	01/15/26	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JKP4		0.00	3,727.17	3,727.17			
	01/15/26	01/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0		0.00	3,615.63	3,615.63			



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/15/26	01/15/26	DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9		0.00	4,669.17	4,669.17			
	01/15/26	01/15/26	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
	01/15/26	01/15/26	HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9		0.00	5,253.50	5,253.50			
	01/15/26	01/15/26	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
	01/15/26	01/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7		0.00	2,181.72	2,181.72			
	01/15/26	01/15/26	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.62	3,595.62			
	01/15/26	01/15/26	US TREASURY N/B DTD 07/15/2025 3.875% 07/15/2028	91282CNM9		0.00	62,968.75	62,968.75			
	01/16/26	01/16/26	GMCAR 2025-4 A2A DTD 11/05/2025 3.880% 12/18/2028	36273EAB9		0.00	9,037.17	9,037.17			
	01/16/26	01/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	368.55	368.55			
	01/16/26	01/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2		0.00	2,574.32	2,574.32			
	01/16/26	01/16/26	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7		0.00	802.88	802.88			
	01/16/26	01/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	1,597.83	1,597.83			
	01/16/26	01/16/26	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6		0.00	219.56	219.56			
	01/17/26	01/17/26	ADOBE INC (CALLABLE) DTD 01/17/2025 4.750% 01/17/2028	00724PAH2		0.00	31,825.00	31,825.00			
	01/20/26	01/20/26	PILOT 2025-1A A3 DTD 05/21/2025 4.610% 10/20/2028	73329KAD8		0.00	1,383.00	1,383.00			
	01/20/26	01/20/26	BAAT 2025-1A A3 DTD 05/12/2025 4.350% 11/20/2029	05594BAD8		0.00	1,015.00	1,015.00			
	01/20/26	01/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5		0.00	4,939.71	4,939.71			



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/20/26	01/20/26	VALET 2025-2 A3 DTD 11/25/2025 3.920% 03/20/2030	92869QAD1		0.00	4,050.67	4,050.67			
	01/20/26	01/20/26	TMUST 2025-2A A DTD 08/06/2025 4.340% 04/22/2030	87268MAA3		0.00	1,862.58	1,862.58			
	01/20/26	01/20/26	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	5,675.08	5,675.08			
	01/20/26	01/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4		0.00	2,626.56	2,626.56			
	01/20/26	01/20/26	VZMT 2025-9 A1A DTD 11/25/2025 3.960% 10/21/2030	92348KEV1		0.00	4,686.00	4,686.00			
	01/21/26	01/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3		0.00	6,922.62	6,922.62			
	01/21/26	01/21/26	COOPERAT RABOBANK UA/NY DTD 01/21/2025 4.883% 01/21/2028	21688ABK7		0.00	32,960.25	32,960.25			
	01/21/26	01/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	652.97	652.97			
	01/21/26	01/21/26	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8		0.00	615.66	615.66			
	01/21/26	01/21/26	HAROT 2025-3 A2A DTD 08/12/2025 4.190% 03/21/2028	43813QAB5		0.00	5,569.21	5,569.21			
	01/21/26	01/21/26	PNC BANK NA (CALLABLE) DTD 07/21/2025 4.429% 07/21/2028	69353RFZ6		0.00	5,536.25	5,536.25			
	01/22/26	01/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8		0.00	8,862.67	8,862.67			
	01/22/26	01/22/26	PFAST 2024-1A A2A DTD 12/13/2024 4.450% 01/24/2028	73328EAB7		0.00	219.59	219.59			
	01/23/26	01/23/26	PNC FINANCIAL SERVICES (CALLABLE) DTD 07/23/2024 5.102% 07/23/2027	693475BY0		0.00	21,045.75	21,045.75			
	01/24/26	01/24/26	TRUIST BANK (CALLABLE) DTD 07/24/2025 4.420% 07/24/2028	89788JAF6		0.00	13,812.50	13,812.50			
	01/25/26	01/25/26	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2		0.00	128.55	128.55			
	01/25/26	01/25/26	BMWLT 2025-1 A3 DTD 06/10/2025 4.430% 06/26/2028	096912AD2		0.00	1,827.38	1,827.38			


Managed Account Security Transactions & Interest
For the Month Ending **January 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	01/25/26	01/25/26	CHAOT 2024-4A A2 DTD 07/30/2024 5.250% 09/27/2027	16144YAB4		0.00	172.29	172.29			
	01/25/26	01/25/26	CHAOT 2025-1A A3 DTD 07/30/2025 4.290% 06/25/2030	16145NAC5		0.00	2,717.00	2,717.00			
	01/25/26	01/25/26	CHAOT 2025-2A A2 DTD 10/29/2025 3.910% 12/26/2028	16144MAC8		0.00	6,565.54	6,565.54			
	01/25/26	01/25/26	CHAOT 2024-5A A2 DTD 09/24/2024 4.400% 11/26/2027	16144QAB1		0.00	220.21	220.21			
	01/25/26	01/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	3,042.01	3,042.01			
	01/25/26	01/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1		0.00	1,816.37	1,816.37			
	01/26/26	01/26/26	BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4		0.00	12,812.50	12,812.50			
	01/26/26	01/26/26	GOLDMAN SACHS GROUP INC (CALLABLE) DTD 01/26/2017 3.850% 01/26/2027	38141GWB6		0.00	16,362.50	16,362.50			
	01/26/26	01/26/26	BLACKROCK FUNDING INC (CALLABLE) DTD 07/26/2024 4.600% 07/26/2027	09290DAH4		0.00	11,385.00	11,385.00			
	01/27/26	01/27/26	MORGAN STANLEY DTD 07/25/2016 3.125% 07/27/2026	61761J3R8		0.00	14,062.50	14,062.50			
	01/30/26	01/30/26	HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/01/2024 4.650% 07/30/2027	438516CX2		0.00	11,276.25	11,276.25			
	01/31/26	01/31/26	US TREASURY N/B DTD 07/31/2025 3.875% 07/31/2027	91282CNP2		0.00	38,750.00	38,750.00			
Transaction Type Sub-Total						0.00	870,771.78	870,771.78			
MATURITY											
	01/09/26	01/09/26	COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9	600,000.00	600,000.00	0.00	600,000.00	228.00	0.00	
	01/09/26	01/09/26	MERCEDES-BENZ FIN NA DTD 01/11/2024 4.900% 01/09/2026	58769JAP2	800,000.00	800,000.00	0.00	800,000.00	296.00	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Transaction Type Sub-Total					1,400,000.00	1,400,000.00	0.00	1,400,000.00	524.00	0.00	
PAYDOWNS											
01/01/26	01/25/26		FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7	101,269.87	101,269.87	0.00	101,269.87	3,730.34	2,538.66	
01/01/26	01/25/26		FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7	2,000.63	2,000.63	0.00	2,000.63	130.28	27.40	
01/01/26	01/25/26		FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,253.77	1,253.77	0.00	1,253.77	60.63	33.55	
01/01/26	01/25/26		FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9	2,501.98	2,501.98	0.00	2,501.98	192.05	118.31	
01/01/26	01/25/26		FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64	14,168.90	14,168.90	0.00	14,168.90	726.15	141.89	
01/01/26	01/25/26		FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRES5	29,388.02	29,388.02	0.00	29,388.02	1,553.20	428.91	
01/01/26	01/25/26		FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5	340,634.03	340,634.01	0.00	340,634.01	17,231.27	522.14	
01/01/26	01/25/26		FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	9,966.93	9,966.93	0.00	9,966.93	215.69	98.42	
01/01/26	01/25/26		FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	9,070.60	9,070.60	0.00	9,070.60	654.43	132.97	
01/01/26	01/25/26		FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	22,922.04	22,922.04	0.00	22,922.04	989.41	287.28	
01/01/26	01/25/26		FNA 2018-M2 A2 DTD 02/01/2018 2.928% 01/01/2028	3136B0YM2	1,466.60	1,466.60	0.00	1,466.60	41.60	31.25	
01/01/26	01/25/26		FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41	1,761.26	1,761.26	0.00	1,761.26	37.77	27.54	
01/15/26	01/15/26		HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7	36,532.11	36,532.11	0.00	36,532.11	1.48	0.75	
01/15/26	01/15/26		ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	23,082.93	23,082.93	0.00	23,082.93	165.91	85.03	
01/15/26	01/15/26		HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1	131,581.75	131,581.75	0.00	131,581.75	8.97	4.48	
01/15/26	01/15/26		NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0	86,042.21	86,042.21	0.00	86,042.21	6.87	3.77	



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For the Month Ending **January 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
PAYDOWNS											
	01/15/26	01/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0	18,900.87	18,900.87	0.00	18,900.87	3.78	2.29	
	01/15/26	01/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3	20,061.56	20,061.56	0.00	20,061.56	4.31	2.48	
	01/15/26	01/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	43,010.25	43,010.25	0.00	43,010.25	4.45	3.22	
	01/15/26	01/15/26	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6	22,418.96	22,418.96	0.00	22,418.96	0.21	0.09	
	01/15/26	01/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	48,113.07	48,113.07	0.00	48,113.07	0.87	0.43	
	01/15/26	01/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4	172,924.65	172,924.65	0.00	172,924.65	10.24	7.29	
	01/15/26	01/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0	42,350.37	42,350.37	0.00	42,350.37	2.07	1.28	
	01/15/26	01/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7	42,009.65	42,009.65	0.00	42,009.65	5.25	3.62	
	01/15/26	01/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0	161,238.13	161,238.13	0.00	161,238.13	3.89	2.56	
	01/15/26	01/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6	8,264.73	8,264.73	0.00	8,264.73	1.35	0.87	
	01/15/26	01/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8	20,485.21	20,485.21	0.00	20,485.21	2.97	1.88	
	01/15/26	01/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	13,390.42	13,390.42	0.00	13,390.42	1.44	0.80	
	01/15/26	01/15/26	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1	60,648.99	60,648.99	0.00	60,648.99	1.29	0.70	
	01/15/26	01/15/26	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2	22,685.92	22,685.92	0.00	22,685.92	2.58	1.18	
	01/15/26	01/15/26	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6	56,129.06	56,129.06	0.00	56,129.06	0.74	0.22	
	01/15/26	01/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	44,662.03	44,662.03	0.00	44,662.03	10.10	53.39	
	01/15/26	01/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5	48,927.55	48,927.55	0.00	48,927.55	1.96	1.05	



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PAYDOWNS											
	01/15/26	01/15/26	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8	40,587.00	40,587.00	0.00	40,587.00	2.64	1.49	
	01/15/26	01/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7	138,355.75	138,355.75	0.00	138,355.75	6.42	4.13	
	01/15/26	01/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7	94,088.41	94,088.41	0.00	94,088.41	2.62	1.81	
	01/15/26	01/15/26	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5	28,461.00	28,461.00	0.00	28,461.00	1.20	0.72	
	01/15/26	01/15/26	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	22,718.40	22,718.40	0.00	22,718.40	174.83	68.11	
	01/15/26	01/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6	59,510.34	59,510.34	0.00	59,510.34	3.61	2.10	
	01/15/26	01/15/26	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531QAB5	113,052.09	113,052.09	0.00	113,052.09	8.46	3.82	
	01/16/26	01/16/26	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6	49,246.23	49,246.24	0.00	49,246.24	0.14	0.01	
	01/16/26	01/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	6,891.73	6,891.73	0.00	6,891.73	1.39	0.86	
	01/16/26	01/16/26	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7	48,607.77	48,607.77	0.00	48,607.77	2.03	1.15	
	01/16/26	01/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2	116,755.46	116,755.46	0.00	116,755.46	11.13	7.38	
	01/16/26	01/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	26,460.24	26,460.24	0.00	26,460.24	5.44	3.04	
	01/20/26	01/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4	87,814.79	87,814.79	0.00	87,814.79	1.41	0.77	
	01/20/26	01/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5	142,842.56	142,842.56	0.00	142,842.56	4.51	3.00	
	01/21/26	01/21/26	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8	63,580.23	63,580.23	0.00	63,580.23	4.98	2.21	
	01/21/26	01/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3	244,624.01	244,624.01	0.00	244,624.01	10.64	6.74	
	01/21/26	01/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	10,645.12	10,645.12	0.00	10,645.12	1.87	1.03	



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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
PAYDOWNS											
	01/22/26	01/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8	263,907.68	263,907.68	0.00	263,907.68	13.12	11.77	
	01/22/26	01/22/26	PFAST 2024-1A A2A DTD 12/13/2024 4.450% 01/24/2028	73328EAB7	50,108.96	50,108.96	0.00	50,108.96	4.27	2.78	
	01/25/26	01/25/26	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2	27,895.16	27,895.16	0.00	27,895.16	0.24	0.09	
	01/25/26	01/25/26	CHAOT 2024-5A A2 DTD 09/24/2024 4.400% 11/26/2027	16144QAB1	21,489.86	21,489.86	0.00	21,489.86	1.91	1.13	
	01/25/26	01/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7	50,757.13	50,757.13	0.00	50,757.13	7.71	5.20	
	01/25/26	01/25/26	CHAOT 2024-4A A2 DTD 07/30/2024 5.250% 09/27/2027	16144YAB4	33,396.75	33,396.75	0.00	33,396.75	3.12	1.71	
	01/25/26	01/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1	77,703.20	77,703.20	0.00	77,703.20	5.94	3.92	
Transaction Type Sub-Total					3,479,364.92	3,479,364.91	0.00	3,479,364.91	26,083.18	4,700.67	
SELL											
	01/07/26	01/08/26	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5	600,000.00	602,742.19	11,484.38	614,226.57	(1,968.75)	1,353.52	FIFO
	01/08/26	01/13/26	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5	1,450,000.00	1,456,287.11	28,615.83	1,484,902.94	(5,097.65)	3,010.81	FIFO
	01/12/26	01/13/26	US TREASURY N/B DTD 09/03/2024 3.750% 08/31/2026	91282CLH2	725,000.00	725,651.37	10,138.98	735,790.35	6,938.48	2,875.78	FIFO
	01/12/26	01/13/26	US TREASURY N/B DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	1,700,000.00	1,707,437.50	30,518.00	1,737,955.50	22,777.34	10,468.64	FIFO
	01/13/26	01/14/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	250,000.00	251,699.22	3,864.81	255,564.03	2,373.05	1,899.97	FIFO
	01/13/26	01/14/26	US TREASURY N/B DTD 09/03/2024 3.750% 08/31/2026	91282CLH2	1,275,000.00	1,275,946.29	17,962.71	1,293,909.00	12,002.93	4,841.23	FIFO
	01/16/26	01/20/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	1,300,000.00	1,308,277.34	21,093.58	1,329,370.92	11,781.24	9,295.72	FIFO
	01/20/26	01/21/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	450,000.00	452,900.39	7,359.11	460,259.50	4,113.28	3,251.43	FIFO


Managed Account Security Transactions & Interest
For the Month Ending **January 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
SELL										
01/20/26	01/21/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	275,000.00	276,772.46	4,497.24	281,269.70	2,470.70	1,979.91	FIFO
01/21/26	01/22/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	300,000.00	301,875.00	4,944.41	306,819.41	2,636.72	2,100.36	FIFO
01/22/26	01/23/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	275,000.00	276,708.01	4,567.51	281,275.52	2,406.25	1,913.72	FIFO
01/26/26	01/26/26	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	150,000.00	150,931.64	2,548.86	153,480.50	1,312.50	1,042.42	FIFO
01/26/26	01/26/26	US TREASURY N/B DTD 09/30/2024 3.500% 09/30/2026	91282CLP4	100,000.00	99,910.16	1,134.62	101,044.78	949.22	283.97	FIFO
Transaction Type Sub-Total				8,850,000.00	8,887,138.68	148,730.04	9,035,868.72	62,695.31	44,317.48	
Managed Account Sub-Total					(1,627,699.06)	1,004,992.21	(622,706.85)	89,302.49	49,018.15	
Total Security Transactions					(\$1,627,699.06)	\$1,004,992.21	(\$622,706.85)	\$89,302.49	\$49,018.15	

Bolded items are forward settling trades.



Staff Report – Item 1d

Item 1d: Receive Just Cause and Multijurisdictional Bodies Remote Participation Report

From: Monica Padilla, CEO

Prepared by: Michael Callahan, General Counsel
Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 3/11/2026

The Silicon Valley Clean Energy (SVCE) Board of Directors (Board) received a [presentation at the February 11, 2026 Board meeting](#) with a request to adopt [Resolution 2026-04](#) approving changes to SVCE’s Hybrid Meetings Policy. These amendments, which included additional remote participation options, were approved by the Board.

Attached is a remote participation report which identifies the Board and Committee members who have used Just Cause or Multijurisdictional Bodies remote participation in addition to a one-pager on remote use options.

ATTACHMENTS

1. Hybrid Meeting Remote Participation Tracking
2. When to Use Each Remote Participation Option

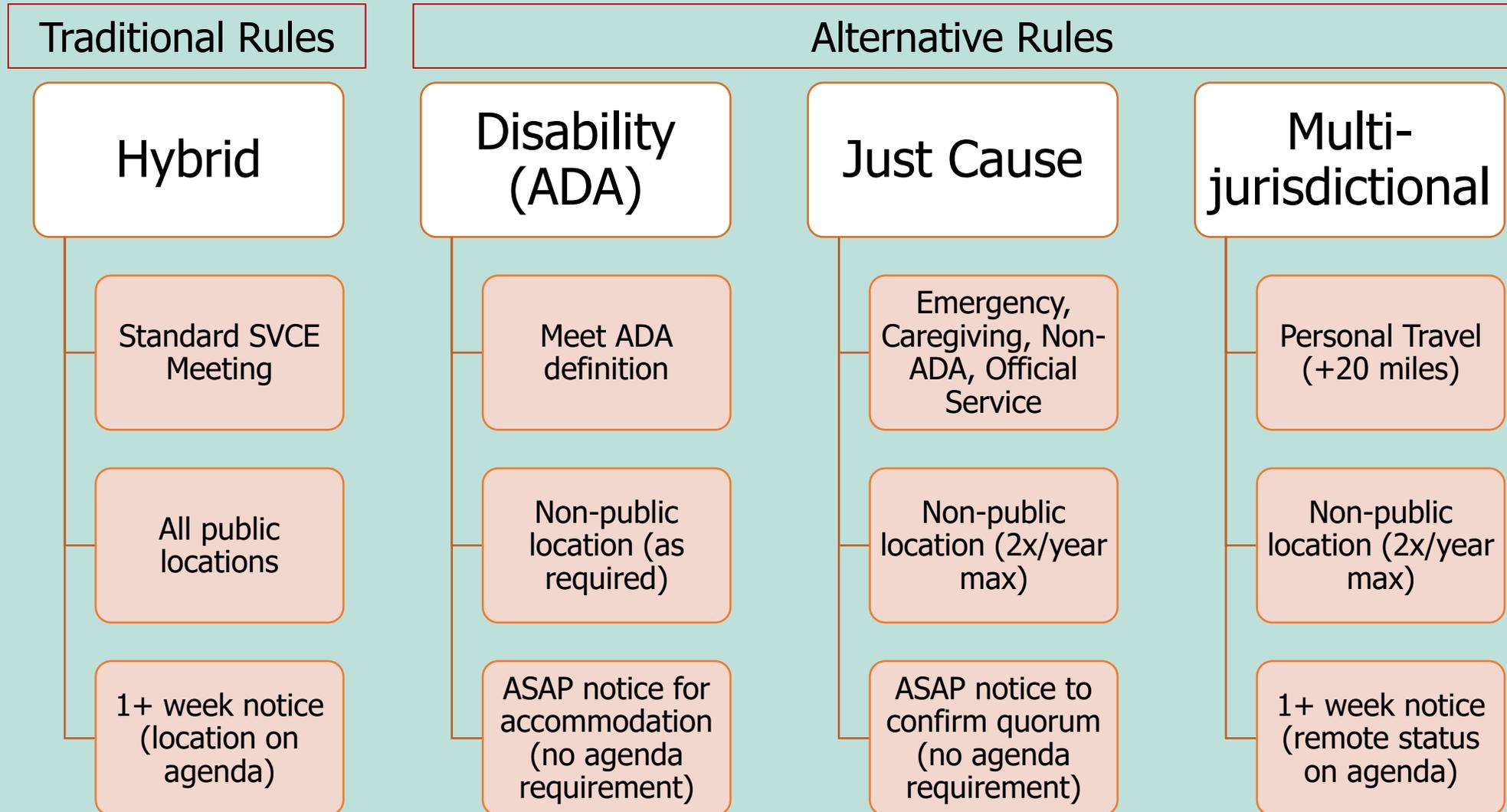


Hybrid Meeting Remote Participation Tracking

Date	Name	Provision Use	Meeting	Use #
1/23/26	Yvonne Martinez Beltran	Just Cause	Executive Committee	1 of 2
2/27/26	Elliot Scozzola	Multijurisdictional	Executive Committee	1 of 2
3/5/26	Elliot Scozzola	Multijurisdictional	Finance & Administration Committee	1 of 2



When to use each remote participation option





Staff Report – Item 1e

Item 1e: Approve an Allocation of Program Fund Dollars of \$6 million to Expand the Home Rebates Program

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success
Oswaldo Martinez, Senior Programs Specialist

Date: 3/11/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) approve an allocation of \$6 million out of the already-authorized programs funding included in the Fiscal Year 2025-2026 (FY26) budget to expand delivery of Home Rebates for heat pumps and other technologies.

BACKGROUND

In November 2020, the Board approved the Building Decarbonization Joint Action Plan ([BDJAP](#)), which identified Home Rebates as a key initiative to support the decarbonization of existing buildings. Launched in October 2022, Home Rebates has supported residential customers by providing rebates for heat pump water heaters (HPWH), heat pump space heating and cooling systems (HP HVAC), dryers, induction cooktops, and prewiring and electrical infrastructure upgrades. Background on and key impacts of this program are shown in Table 1 below.

The strong uptake of this program highlights a growing demand for rebates as more customers become aware of electrification and choose to make the transition in their homes. After the initial allocation in 2022, the Board subsequently approved the addition of \$6 million in 2024 and another \$4.4 million on August 2025 to ensure the program continued without interruption. With the latest funding allocation, SVCE passed its targets for HPWH and HVAC installations earlier than expected, primarily due to a surge in applications in the third and fourth quarters of 2025 as customers hurried to pursue installations to take advantage of all available rebates and tax credits. To support the popularity of this program and assist more customers in electrifying their homes, additional funding is necessary.

Table 1. Program Background and Impact

	Home Rebates
Objective	<ul style="list-style-type: none"> • Targets residential customers in single-family homes or multifamily buildings with ≤ 4 units • Provides rebates for heat pump water heating, space heating, prewiring, induction cooking, and removing the gas meter for fully electrified homes
Current Budget	\$14,457,940 (~13% committed to admin costs; remaining for rebates)
Impact	<ul style="list-style-type: none"> • 3,255 customers served • \$9.8 million in rebates distributed • \$1.3 million in rebates currently reserved • 1,168 heat pump water heaters installed • 2,376 heat pump HVAC systems installed • 256 induction cooktops installed • 1,690 pre-wired circuits

ANALYSIS & DISCUSSION

The Home Rebates program remains a foundational component of SVCE’s residential decarbonization strategy, having successfully supported a growing number of home electrification projects.

Continuity in Home Rebates while Federal and State Incentives Expire

Continuity in SVCE funding is crucial as federal, state, and regional programs end, reducing opportunities for customers to combine rebates and lower the upfront costs for their heat pump installations. At the Federal level, the One Big Beautiful Bill Act (OBBBA) removed heat pump tax credits after December 31, 2025. Additionally, Home Electrification and Appliance Rebates (HEEHRA) program funds will likely be fully reserved by mid-2026. At the State level, the TECH Clean California program was fully reserved in November 2025. The absence of these funds will reduce the confidence of homeowners to choose electric appliances instead of gas appliances. Keeping Home Rebates open and funded can help to provide the certainty that customers need.

Recent Trends and Accomplishments in Home Rebates

To date, the program has been very successful, having served more than 3,000 customers, and incentivized more than 1,100 heat pump water heaters (HPWHs) and 2,300 Heat Pump HVAC systems (HP HVACs). The program experienced unprecedented interest in 2025, with an average monthly increase of 80% in new applications compared to 2024 (Figure 1). The surge in applications peaked during the second half of 2025, primarily driven by customers rushing to take advantage of federal, state, and local incentives before they expired. However, not all new applications convert to completed projects; many customers apply but do not follow through with their installations to claim the rebate. So while there was a notable increase in paid rebates during this period, the average monthly rise in completed installations and approved rebates remained at 28% compared to 2024 – lower than the increase in applications. The conversion rate of these applications into approved/completed rebates operates on a delay due to the time it takes for the installation process and for final paperwork. Staff will evaluate the true increase in completed projects driven by the expiration of other incentives by the end of the first quarter of 2026.

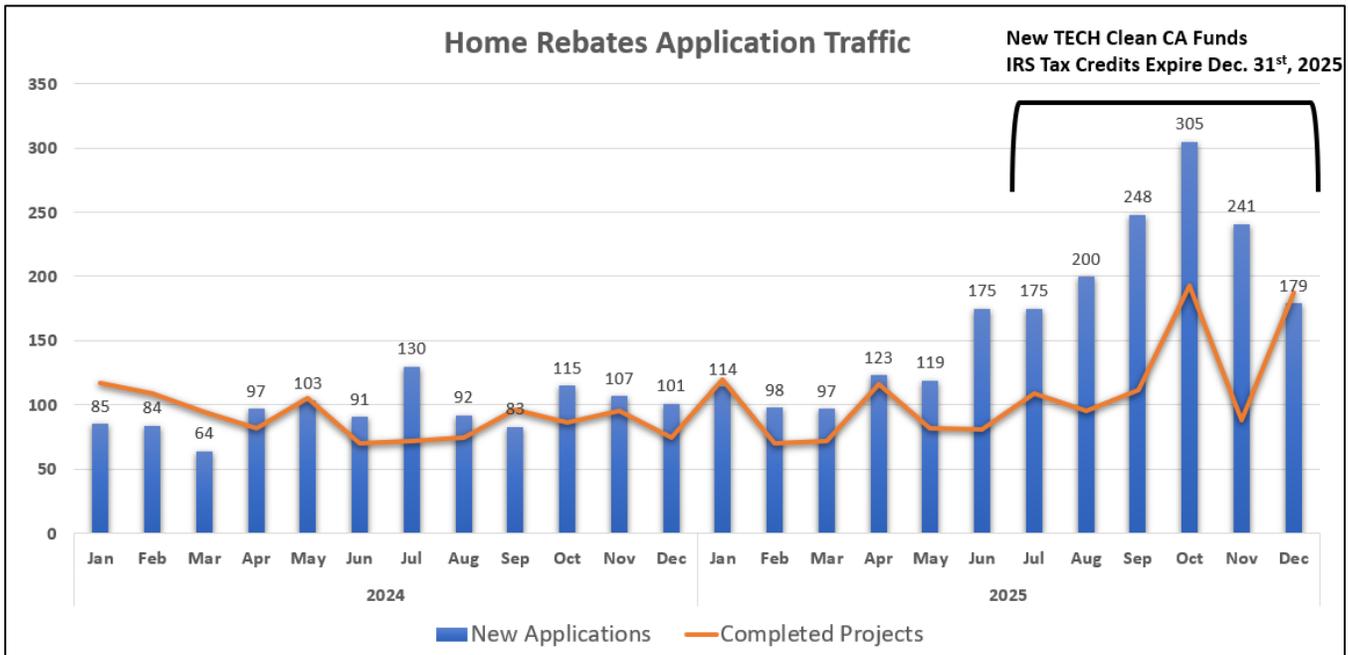


Figure 1. Home Rebates Application Traffic in 2024 and 2025.

Home Rebates Momentum Leading Up to Bay Area Air District Rules

SVCE aims to continue this momentum to support the local market for electric technologies ahead of the Bay Area Air District’s (BAAD’s) Rules 9-4 and 9-6, which will begin phasing out NOx-emitting appliances starting with a prohibition on the sale of gas water heaters in 2027. With new regulations for water heaters approaching, it is critical to continue to build up the water heater market; SVCE plans to boost rebates for HPWHs to try to further amplify uptake of that technology. In contrast, HP HVAC systems have generated significant interest, likely due to lower installation barriers, quality-of-life improvements, the demand for added A/C, and a smaller incremental cost compared to combined gas furnace and A/C installation. As a result, SVCE plans to reduce rebates for these HVAC systems to evaluate the impact of the current incentive level. Additionally, seasonal rebate bonuses will be tested to encourage faster electrification among customers and contractors. Beyond rebates, SVCE aims to raise awareness of rebates and HPWHs through active marketing campaigns to educate customers before the Air District’s Rules take effect in 2027.

Evolution of Home Rebates

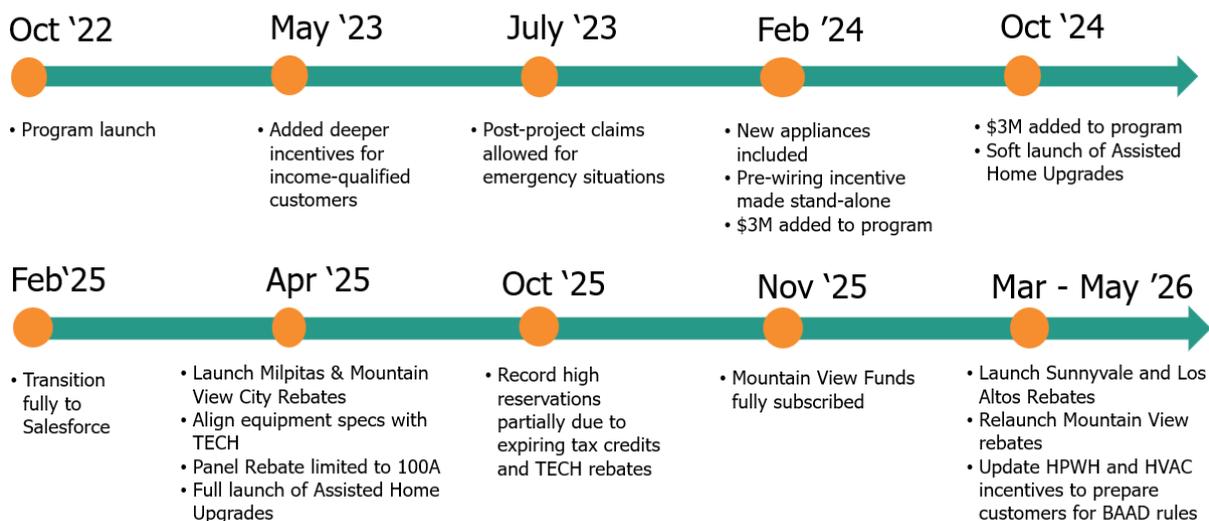


Figure 2. Home Rebates Program Growth and Connection to Upcoming Programs

Home Rebates Support City-Level Rebates

As Federal and State funds decline, four member agencies have opted to provide local rebates to their residents to help accelerate decarbonization in their communities. SVCE is administering \$3.33 million in city rebates for the jurisdictions of Milpitas, Mountain View, Sunnyvale, and Los Altos via the Home Rebates program. Many of these City Rebate programs are expected to continue into 2027, and the city rebates are intended to layer with SVCE Home Rebates.

Program Allocation Request

Staff recommends allocating **\$6 million** in additional funds to Home Rebates, as shown in Table 2. A portion of these funds (estimated at \$600,000) will be allocated to program administration, while the remaining amount will be used as rebates. The additional funding was calculated to preserve program continuity through the end of FY27 at the current uptake level and will mean that SVCE is well positioned to address any uptick in applications that may occur in response to Air District regulations. Staff may request additional funds or propose more significant changes to the program’s structure following the strategic recommendations in the Integrated Decarbonization Roadmap once that effort is finished (last discussed with the Board in December 2025).

Table 2. Program Budget Allocations and Anticipated Impact

	Home Rebates
Current Budget	\$14,457,940
Budget Remaining (as of Feb 2026)	\$1,812,082
Additional Funding Allocation (requested in this report)	\$6,000,000 <ul style="list-style-type: none"> • \$5,400,000 for Rebates • \$600,000 for Administrative Costs
New Budget	\$20,457,940
Sample breakdown of program elements covered by additional funding (exact impacts will vary, depending on what customers request)	<ul style="list-style-type: none"> • 685 heat pump water heaters • 1,289 heat pump HVAC systems • 181 induction cooktops • 1,186 pre-wired circuits

Additionally, to facilitate smooth delivery of city rebates while continuing to manage the Home Rebates program budget, staff will set up a separate zero-dollar City Rebate account from which city rebates will be paid. This will keep SVCE's budget separate from city rebate budget.

Overall Budget Availability

The Board has authorized funding on an annual basis, or more frequently, to be used for programmatic efforts. The majority of authorized funds have since been allocated to specific programs and have been spent or made available to customers via an active program. This \$6 million allocation to Home Rebates will be drawn from the remaining funds, approximately \$16 million, that have been authorized for programs but not yet allocated to a specific effort.

STRATEGIC PLAN

The Home Rebates program is aligned with SVCE's 2024-2025 Strategic Plan as follows:

- Strategic Focus Area 4: Prepare Region for Electrification at Scale: Inform and prepare for upcoming requirements such as Bay Area Air District and California Air Resources Board (CARB) rules to ensure they are implemented sensibly, successfully, and equitably; and continue scaling SVCE efforts.
- Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.

ALTERNATIVE

In the absence of additional funds, staff has considered the following options for Home Rebates:

1. Continue to administer the program at current incentive levels until funds are fully reserved, then close the program.
2. Reduce incentive levels to draw out the current program funds (phase out) and continue to administer the program until funds are fully reserved before closing it down.

If additional funds are not added to the program, staff will pivot to redirecting customers to other SVCE programs but not all customers may qualify for those. Staff does not recommend closing the Home Rebates program down at this point given its key role in helping customers electrify and demonstrating scalability in advance of Bay Area Air District Rules.

FISCAL IMPACT

This recommendation to allocate \$6 million to Home Rebates will have no incremental fiscal impact on SVCE's budget. The Board has already authorized these funds to be used on programs, this action merely assigns those funds to the Home Rebates program. The expenditure of the funds will be appropriately reflected in future budgets.



Staff Report – Item 1f

Item 1f: Authorize the Chief Executive Officer to Execute and Amend Agreements with Member Agencies to Administer City Rebates as Funded by Member Agencies for Building Electrification

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success
Jessamyn Allen, Customer Success Program Lead

Date: 3/11/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute and amend agreements with member agencies to administer building electrification rebate adders as funded by member agencies to SVCE customers located in these member jurisdictions.

BACKGROUND

SVCE has been successfully administering building electrification rebates to customers in single-family residences since 2019 through its initial Heat Pump Water Heater (HPWH) programs and, currently, through its Home Rebates program. To date, SVCE has disbursed more than \$9.8 million through this program to upgrade various appliances from gas to electric, with significant participation growth in 2024 and 2025. The strong uptake of this program signifies a clear interest in rebates as more customers make this transition in their homes.

In 2024, recognizing that rebates are critical in aiding the transition to all-electric appliances, the cities of Milpitas and Mountain View secured funding to provide rebates for their residents (hereafter "City Rebates") that stack on top of SVCE's rebates. Milpitas allocated \$2.65 million from a grant and Mountain View allocated \$249,999 for these rebates as a part of its "Year of the Water Heater" campaign. These member agencies worked out agreements with SVCE to administer the City Rebates on their behalf; the agreements were approved by the Board in March 2025.

Later in 2025, Sunnyvale and Los Altos approached SVCE with a request to offer City Rebates to their residents through a similar arrangement. The Cities of Sunnyvale and Los Altos allocated \$350,000 and \$75,000, respectively, to provide rebates to residents for building electrification. The Board approved both agreements in December 2025, and SVCE plans to begin administering the city adder rebates in March 2026.

As of January 2026, SVCE has reserved or paid out \$377,500 in City Rebates to Milpitas customers. Mountain View rebates (totaling \$249,999) were fully subscribed as of November 5, 2025. The City Rebates have shown to increase rebate uptake - Milpitas and Mountain View saw an increase of 140% and 127%, respectively, in rebate applications in April-October 2025, compared to the same timeframe in 2024¹. In comparison, SVCE territory-wide rebate applications increased by 76% during April-October 2025, compared to the same time frame in 2024.

City Rebates align with local agency climate action efforts to reduce greenhouse gas emissions from existing buildings. SVCE anticipates that additional member agencies may wish to leverage SVCE's rebate administration and fund their own rebate adders. Additionally, existing partner cities may allocate additional

¹ Some of the increased interest in rebates in fall 2025 might be due to federal tax credits for heat pumps ending on December 31, 2025.

funding to extend their rebate availability. Thus far, SVCE has taken each member agency agreement to the Board for approval.

ANALYSIS & DISCUSSION

SVCE and its member agencies support residential customers in transitioning from fossil fuel to all-electric appliances. However, the up-front cost of electric appliances is still higher than that of their fossil fuel counterparts. A large portion (53%) of past SVCE Home Rebates participants have leveraged multiple programs to drive down the up-front capital cost, including TECH Clean California, Golden State Rebates, and federal tax credits.

Several SVCE member agencies have already secured funding to provide rebates for their residents and help lower the out-of-pocket costs of transitioning to electric appliances. Given that most residents want to stack SVCE rebates, City Rebates, and other rebate programs that may apply, it has been beneficial to leverage Home Rebates' administration to also provide the City Rebates to customers in these jurisdictions. Stacking rebates from multiple sources can be a time-consuming and confusing process for customers and contractors, so minimizing this effort has great value for SVCE customers.

SVCE expects additional member agencies may want to offer their own City Rebates and leverage SVCE's significant experience in providing residential building electrification rebates to customers through the Home Rebates program (and others). The Home Rebates program's well-established administrative process has led to the successful deployment of program funds and a positive customer experience, as evidenced by the recent growth in participation as well as customer surveys showing an overall satisfaction rating of 92%. Partnering with cities on rebate administration offers the following benefits for customers:

- *Creates a simple process for customers.* SVCE will automatically add the City Rebate based on the customer's address and will issue a single rebate check when the project is completed, reducing customer effort.
- *Leverages economies of scale to help funds go further:* Leveraging SVCE's program administration structure avoids the burden of each jurisdiction setting up its own administrative process. This enables most or all of the funding from each City to be distributed as incentives, thereby improving efficiency and benefiting customers directly.
- *Helps SVCE learn how to thread external funds through its existing program:* This may be relevant for the future if SVCE has an opportunity to leverage grant funding from external programs.
- *Uses an established process for City Rebates:* SVCE has already been administering City Rebates for Milpitas and Mountain View for eleven months and has worked to refine the administration process for improved efficiency.
- *Lowers out-of-pocket costs:* The City Rebates may further lower out-of-pocket costs for customers, which is especially relevant since the ending of the federal tax credits.

Impact to Customers

City Rebates are additive to SVCE's rebates and total rebates paid to a customer will not exceed the project cost. Table 1, shown below, details a hypothetical new City Rebate structure and total funding. Additional agreements signed by the CEO under this authority would look structurally similar. City Rebate values are subject to adjustment by the Cities and SVCE no more frequently than six months. As with existing City Rebates, program eligibility and equipment specifications for administering rebates will be aligned with SVCE's existing Home Rebates program.

SVCE will also collaborate with each agency on marketing these rebates to their residents. Several member agencies with existing City Rebate programs have launched extensive marketing campaigns to raise awareness around electrification and promote the rebate adders.

Table 1. Example SVCE and City Rebates by Appliance

Appliance Upgrade	SVCE Rebate	City Rebate
<i>Market-Rate Customers</i>		
HPWH (replacing gas)	\$2,000	+\$1,000
HPWH (replacing electric resistance)	\$500	--
HP HVAC (replacing gas)	\$2,500	+\$1,000
Induction cooktop (replacing gas)	\$500	--
Panel Upgrade	\$1,000	--
<i>Income-Qualified Customers</i>		
HPWH (replacing gas)	\$3,000	+\$2,000
HP HVAC (replacing gas)	\$3,500	+\$2,000
<i>Total Budget for City Rebates</i>		<i>\$200,000</i>

City rebate amounts are shown as the added amount on top of SVCE's rebate.

City rebates amounts are subject to change and may be modified by mutual agreement between SVCE and the Cities.

Authorizing the CEO to enter into rebate administration agreements with additional member agencies and amend existing agreements will streamline the set-up and extension of City Rebates that layer on top of SVCE's existing programs. New programs will use the template reimbursement agreement between a member agency and SVCE (see Attachment 1) as a starting point and edit as needed. As an example of member agencies expanding their existing City Rebate programs, the City of Mountain View recently approved an additional \$250,001 in funding in January 2026. The amendment agreement (see Attachment 2) is an example of a city's increased funding allocation for City Rebates, bringing Mountain View's total rebate funding to \$500,000 for HPWH rebates. With these types of agreements, more customers will benefit from larger combined rebates, lowering their out-of-pocket costs. City Rebate programs can be more easily extended, avoiding any pauses or discontinuation of incentives, which creates frustration for customers, challenges with marketing, and additional administrative work for SVCE. SVCE will remain fully reimbursed by participating member agencies for the additional rebates paid. This flexibility will let SVCE move nimbly in support of diverse interests from local member agencies. Existing agreements with member agencies for City Rebate administration and the planned Mountain View City Rebates amendment total \$3,575,000 of additional rebates available to SVCE customers.

Impact to SVCE

Staff currently estimates that it adds approximately 30 minutes per customer of total administrative time to process City Rebates, based on the initial experience with Milpitas and Mountain View rebates. This is not significant for SVCE and still saves customers and the Cities many hours of work. For all four existing City Rebates programs, this translates to an estimated \$13,000 per month in added costs or a 16.5% increase in administrative costs per month, which is not significant compared to the estimated \$470,000 in monthly rebates that will be paid out between SVCE and the four cities. Actual costs will largely depend on the rate of uptake of the rebates in each City and any additional questions from these customers beyond what they would normally have asked SVCE.

Initially, all (100%) of total funds contributed by each agency will be spent on customer rebates, as SVCE plans to absorb the increased administrative costs of providing City Rebates. Staff will monitor administrative costs closely. If, after the first 100 rebates are paid out for each city, SVCE's administrative costs are found to significantly increase, then SVCE has reserved the right in the agreements to charge the Cities a mutually agreed-upon administrative fee that will not exceed more than 3.7% of the total incentive funds available in each City's program. This structure maximizes the value a city can see when layering onto SVCE's existing rebates while also protecting SVCE if this coordination unexpectedly increases the administrative burden. Staff will closely monitor customer participation and staffing impacts. If changes are needed to limit participation levels, staff will return to the Board for input and approvals.

STRATEGIC PLAN

Agenda Item: 1f**Agenda Date: 3/11/2026**

The City Rebates program supports SVCE's Strategic Plan goals as follows:

- Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.
- Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

ALTERNATIVE

The proposed approach offers benefits to achieving SVCE's and the Cities' climate and programmatic goals. Alternatively, the Board may

1. Authorize the CEO to enter into agreements member agencies to administer city rebates for building electrification as funded by member agencies but only within limits. Examples of such limits might be that agreements must be executed or amended before September 30, 2027 and/or shall not cumulatively exceed \$2 million (\$2,000,000).
2. Direct staff to obtain Board approval for all new City Rebate administration agreements or amendments individually.

Alternative 1 delegates Board authority to the CEO with limits, with the intention to mitigate unexpected impacts on staff or more strongly protect against the risk of not being reimbursed. However, staff are already watching and plan to continuously monitor staffing impacts and track reimbursements on a monthly basis; if there are substantial and unanticipated problems that arise, staff would plan to return for Board input. If alternative 2 is chosen, new City Rebate programs may experience slower launches or existing programs may be paused until amendments can be approved by the Board.

FISCAL IMPACT

The Home Rebates total program budget is \$14.45 million as reflected in the total Board-approved programs allocation. SVCE will pay the value of the City Rebates up-front to customers from the Programs Budget and be reimbursed by the Cities monthly for the total cost of the City Rebates provided to customers within their respective jurisdictions. As such, there should be no net impact on the rebates funded by SVCE's programs allocation, though there is expected to be a slight increase in admin expenses. SVCE's administrative costs of City Rebates will be absorbed within the remaining Board-approved allocation for Home Rebates program.

To facilitate smooth delivery of City Rebates while continuing to manage the Home Rebates program budget, staff may set up a separate zero-dollar City Rebate billing code/account from which city rebates will be paid. This will keep SVCE's program budget separate from city rebate budgets. The separation will enable staff to easily track the budget available for SVCE Home Rebates rather than needing to juggle the drawdown and reimbursement processes and totals across multiple jurisdictions – which can lead to artificially low totals in the program budget while awaiting reimbursement. The City Rebate account will not have an associated budget; it will be drawn on to pay out city rebates and reimbursements from member agencies will offset the draw down eventually. If there is an issue with repayment, which is not anticipated, then staff would discuss with the Board how to cover the delta – either from unallocated programs funds or from the overarching SVCE budget.

Further, staff anticipates that the increased cumulative incentives will drive additional interest and reserve the remaining SVCE Home Rebates program budget more quickly than would otherwise have occurred.

ATTACHMENTS

1. Reimbursement Agreement Template for the Administration of City Rebates for Home Electrification
2. Example Reimbursement Agreement Amendment between SVCE and City of Mountain View

**REIMBURSEMENT AGREEMENT
BETWEEN SILICON VALLEY CLEAN ENERGY
AND
CITY OF [CITY NAME]**

THIS AGREEMENT is made and entered into as of _____, 202_, (“Effective Date”) between Silicon Valley Clean Energy (“SVCE”) and City of [CITY NAME] (“City”). SVCE and City are referred to below individually as a “Party” and collectively as the “Parties”. In consideration of the mutual promises and covenants contained herein, the Parties hereto mutually agree as follows:

1. Purpose of the Agreement. The City has allocated [TOTAL BUDGET FOR CITY REBATES] in funds to provide rebates (“City Rebates”) to City residents who purchase appliances to electrify their homes. The Parties have determined that it will be mutually beneficial for SVCE and City to include the City Rebates with the rebates SVCE provides to its customers (“SVCE Rebates”) residing within the City’s jurisdiction through its Home Rebates Program (“SVCE Program”). The Parties desire to take advantage of the economies to the Parties and convenience to SVCE customers of providing both City Rebates and SVCE Rebates to SVCE customers in one transaction. The purpose of this Agreement is to set forth the terms by which SVCE will provide the City Rebate to its customers, and by which City will reimburse SVCE for the payment of the City Rebate to the customers.

2. Term and Termination. This Agreement shall commence on the Effective Date and terminate on [DATE – MUST BE AT LEAST 4 MONTHS AFTER LAST RESERVED REBATE] unless earlier terminated (“Term”). Either Party may terminate the Agreement without cause upon 30 days’ written notice to the other Party. Upon termination, City shall remit payment to SVCE for any Reimbursable Expenses (defined in Section 5 below) incurred by SVCE prior to notice of the termination.

3. Administrative Fee. The Parties do not anticipate that there will be a measurable cost to SVCE to administer the City Reimbursements and agrees to charge no fee to the City for administering the City Rebates (“Administrative Fee”) for the first 100 rebate payments. SVCE may charge an Administrative Fee of 3.7% of direct rebates being paid out by City after the first 100 customers, over the Term of this Agreement.

4. SVCE Responsibilities.

A. SVCE shall provide City Rebates to its customers who receive SVCE Rebates through the Program and are also eligible for City Rebates. SVCE’s published program rules, eligibility criteria, and standard operating practices will apply to all City Rebates.

B. The amount of the City Rebates a customer is eligible for shall be set forth in Exhibit A, attached hereto and incorporated by this reference (“City Rebate Schedule”). The City Rebate Schedule may be revised not more than once every 180 days by mutual agreement of City and SVCE, without amending this Agreement. SVCE shall use the most recent City Rebates Schedule provided by the City to issue City Rebates to customers.

C. SVCE shall not provide any rebates that exceed the total individual project cost for a customer. If the sum of the SVCE Rebate and City Rebate exceeds the customer’s total project cost, the SVCE Rebates will be provided in full and the City Rebate will be discounted accordingly, such that the maximum rebate amount provided does not exceed the total individual project cost of the customer.

D. SVCE shall provide an invoice to the City on a monthly basis, which documents the City Rebates paid in the previous month and any Administrative Fee.

5. Reimbursement by City. SVCE will invoice the City monthly for any Administrative Fees, if approved, and the City Rebates (together known as “Reimbursable Expenses”) paid by SVCE. City shall make payments within thirty (30) days of receiving an invoice from SVCE. SVCE will incur the Reimbursable Expenses in reliance on City’s representation that it will reimburse SVCE for such Reimbursable Expenses as set forth in this Agreement. The total rebates issued to customers from SVCE on City’s behalf, plus administrative fees paid by City to SVCE, shall not exceed the value of this Agreement (defined in Section 1 above).

6. Indemnification. SVCE shall defend, indemnify and hold harmless City including its officers, employees and agents against any claim, loss or liability arising out of its negligence or misconduct in the performance of this Agreement. City shall defend, indemnify and hold harmless SVCE (including its officers, employees and agents) against any claim, loss or liability arising out of City’s negligence or misconduct in City’s administration of City Rebates outside of this Agreement.

7. Miscellaneous.

A. Notices. Any notices which either Party may desire to give to the other Party under this Agreement must be in writing and may be given either by (i) personal service with return receipt or affidavit of delivery, (ii) delivery by a reputable document delivery service, such as, but not limited to, FedEx, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the Party as set forth below or at any other address as that Party may later designate by a written notice provided in accordance with this Section. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

SVCE: Silicon Valley Clean Energy
333 W. El Camino Real, Suite 330
Sunnyvale, CA 94087
Attn:
Nupur Hiremath, Manager of Decarbonization Programs
Nupur.hiremath@svcleanenergy.org

City: City of [CITY NAME]
[MAILING ADDRESS]
Attn:
[PROGRAM MANAGER NAME AND TITLE]
[PROGRAM MANAGER EMAIL ADDRESS]

Either Party may change its address for notices by notifying the other Party.

B. Applicable Law/Venue. This Agreement shall be deemed to have been entered into and shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of California. The venue of any legal action relating to this Agreement shall be the Superior Court of California, County of Santa Clara.

C. Entire Agreement, Modifications. This Agreement and the documents referenced herein contain the complete expression of the whole agreement between the Parties with respect to the obligations set forth herein, and there are no promises, representations, agreements, warranties or inducements, either expressed verbally or implied, except as are fully set forth herein. No alteration, supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties.

D. Independent Advice of Legal Counsel. Each Party acknowledges that it has retained independent legal counsel of its own choice to review this Agreement and that prior to the execution hereof each Party has had the opportunity to review the terms of this Agreement with its counsel and is entering

into this Agreement after such review.

E. Authority to Execute Agreement. The person or persons executing this Agreement on behalf of a Party warrants and represents that he or she has the authority to execute this Agreement on behalf of the Party and has the authority to bind that Party to the performance of its obligations hereunder.

F. Validity of Agreement. All Parties agree that this Agreement is legal, valid and binding on each Party and enforceable in accordance with its terms.

G. Binding on Successors. Except as further provided in this paragraph, this Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, assigns, executors and administrators.

H. Attorneys' Fees. . In the event of any dispute between City and SVCE in any way related to this Agreement, and whether involving contract and/or tort claims, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees and costs and expenses of any type, without restriction by statute, court rule or otherwise, incurred by the prevailing party in connection with any action or proceeding (including any appeal and the enforcement of any judgment or award), whether or not the dispute is litigated or prosecuted to final judgment (collectively, "Fees"). The "prevailing party" shall be determined based upon an assessment of which party's major arguments or positions taken in the action or proceeding could fairly be said to have prevailed (whether by compromise, settlement, abandonment by the other party of its claim or defense, final decision, after any appeals, or otherwise) over the other party's major arguments or positions on major disputed issues. Any Fees incurred in enforcing a judgment shall be recoverable separately from any other amount included in the judgment and shall survive and not be merged in the judgment. The Fees shall be deemed an "actual pecuniary loss" within the meaning of Bankruptcy Code Section 365(b)(1)(B), and notwithstanding the foregoing, all Fees incurred by either party in any bankruptcy case filed by or against the other party, from and after the order for relief until this Agreement is rejected or assumed in such bankruptcy case, will be "obligations of the debtor" as that phrase is used in Bankruptcy Code Section 365(d)(3).

I. No Third-Party Rights. This Agreement shall not create or be construed to create any rights in, or inure to the benefit of, any third party.

J. Ambiguity. This Agreement is deemed to have been prepared by all of the Parties hereto, and any uncertainty or ambiguity herein shall not be interpreted against the drafter, but rather, if such ambiguity or uncertainty exists, shall be interpreted according to applicable rules of interpretation of contracts under the laws of the State of California.

K. Assignment. This Agreement shall not be assignable by either Party in whole or in part without the prior written consent of the other Party. The assigning Party shall provide to the other Party thirty (30) days' advanced notice of any such proposed assignment.

L. Severability. If any provision or portion of this Agreement shall be adjudged invalid or unenforceable by a court or tribunal of competent jurisdiction or by operation of any applicable laws, such provision or portion of this Agreement shall be deemed omitted and the remaining provisions and portions shall remain in full force and effect.

M. Counterparts/Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Moreover, electronic, scanned or facsimile copies of signatures shall be accepted as valid and binding.

N. Waiver. No term or provision hereof will be considered waived by either Party, and no breach is excused or consented to by either Party, unless such waiver or consent is in writing and signed on behalf of the Party against whom the waiver is asserted. No express or implied consent by either Party to, waiver of, or failure of a Party to enforce its rights with respect to a breach by the other Party shall constitute

consent to or, waiver of any subsequent or other breach by the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement below on the date first written above.

DRAFT

SILICON VALLEY CLEAN ENERGY

RECOMMENDED FOR APPROVAL:

By: _____
Justin Zagunis, Director of Customer Success

Date: _____

By: _____
Monica Padilla, Chief Executive Officer

Date: _____

APPROVED AS TO FORM BY COUNSEL FOR SVCE:

By: _____
Michael Callahan, General Counsel

Date: _____

CITY OF [CITY NAME]

RECOMMENDED FOR APPROVAL:

By: _____
[CITY MANAGER NAME], City Manager

Date: _____

By: _____
[OTHER SIGNATORY NAME AND TITLE, IF NEEDED; DELETE THIS SIGNATURE BLOCK IF NOT NEEDED]

Date: _____

APPROVED AS TO FORM BY COUNSEL FOR CITY OF [CITY NAME]:

By: _____
[CITY ATTORNEY NAME], City Attorney

Date: _____

EXHIBIT A CITY REBATE SCHEDULE

SVCE will provide City Rebates to SVCE customers who are residents of the City in the following amounts:

Customer Category	Appliance Type		Value of City Rebate (per appliance)
Market-rate customers	Heat Pump Water Heater (HPWH)	Replacing gas water heater	\$X
		Replacing electric resistance water heater	\$X
	Heat Pump Heating Ventilation, and Air Conditioning (HP HVAC)	Replacing gas furnace	\$X
		Replacing electric resistance heating	\$X
	Induction Cooktop/Range	Replacing gas cooktop/range	\$X
	Electrical panel upgrade ¹		\$X
	Prewiring		\$X
Income-qualified ² customers	Heat Pump Water Heater (HPWH)	Replacing gas water heater	\$X
		Replacing electric resistance water heater	\$X
	Heat Pump Heating Ventilation, and Air Conditioning (HP HVAC)	Replacing gas furnace	\$X
		Replacing electric resistance heating	\$X
	Induction Cooktop/Range	Replacing gas cooktop/range	\$X
	Electrical panel upgrade ¹		\$X
	Prewiring		\$X

City Rebates will be provided in alignment with the terms, conditions, and eligibility specifications listed for SVCE’s Home Rebates Program: <https://svcleanenergy.org/home-rebates/>.

This exhibit may be updated no more than once every 180 days by mutual agreement of City and SVCE, without amending this Agreement.

¹ As specified in SVCE’s Electrical Infrastructure Upgrade specifications: <https://svcleanenergy.org/wp-content/uploads/6-Appliance-Specifications-Jun-2024-English.pdf>

² Latest income-qualifications from May 2025 ([Home-Rebates-Income-Qualifications-5.13.2025.pdf](#)). These are updated annually in May.

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF MOUNTAIN VIEW
AND SILICON VALLEY CLEAN ENERGY FOR
CITY REBATE REIMBURSEMENT SERVICES**

This AMENDMENT NO. 1 to the Agreement is dated for identification this 29th day of January 2026, by and between the CITY OF MOUNTAIN VIEW, a California charter city and municipal corporation, whose address is 500 Castro Street, P.O. Box 7540, Mountain View, California, 94039-7540 (hereinafter "CITY"), and SILICON VALLEY CLEAN ENERGY, a joint powers authority, whose address is 333 West El Camino Real, Suite 330, Sunnyvale, California, 94087 (hereinafter "SVCE"), (CITY and SVCE hereinafter collectively "Parties" or individually "Party").

RECITALS

A. WHEREAS, CITY and SVCE entered into an Agreement dated March 20, 2025 for identification, for City rebate reimbursement services related to a heat pump water heater rebate program; and

B. WHEREAS, CITY and SVCE desire to amend said Agreement dated March 20, 2025 for identification, and all amendments thereto, to increase compensation, to extend the term, enable SVCE to share data with the City, and add additional funding of Two Hundred Fifty Thousand One Dollars (\$250,001) to extend the program engagement and duration.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals and mutual promises of the Parties contained herein, CITY and SVCE agree to the below-referenced amendments to said Agreement dated March 20, 2025 for identification, and all amendments thereto, as follows:

Purpose of the Agreement section shall be amended as follows:

1. Purpose of the Agreement. The City has allocated Five Hundred Thousand Dollars (\$500,000) in funds to provide rebates ("City Rebates") to City residents who purchase electric heat pump water heaters (HPWH). The Parties have determined that it will be mutually beneficial for SVCE and City to include the City Rebates with the rebates SVCE provides to its customers ("SVCE Rebates") residing within the City's jurisdiction through its Home Rebates Program ("SVCE Program"). The Parties desire to take advantage of the economies to the Parties and convenience to SVCE customers of providing both City Rebates and SVCE Rebates to SVCE customers in one (1) transaction. The purpose of this Agreement is to set forth the terms by which SVCE will provide the City Rebate to its customers; SVCE and City will exchange participation information for the purposes program administration and analysis, and City will reimburse SVCE for the payment of the City Rebate to the customers.

Term and Termination section shall be amended as follows:

2. Term and Termination. This Agreement shall commence on the Effective Date and terminate on January 30, 2027, unless earlier terminated (“Term”). Either Party may terminate the Agreement without cause upon thirty (30) days’ written notice to the other Party. Upon termination, City shall remit payment to SVCE for any Reimbursable Expenses (defined in Section 5) incurred by SVCE prior to notice of the termination.

A new subsection in the Miscellaneous section shall be added as follows:

O. Data Sharing. SVCE agrees to provide City with the following information (“Customer Data”) for those customers receiving City rebates: names, addresses, contact information, and project details. The City agrees to keep the Customer Data in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Customer Data. The City shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the Customer Data from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement.

All other terms and conditions in that certain Agreement dated March 20, 2025, above referenced, shall remain in full force and effect.

Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which in the aggregate shall constitute one and the same instrument, and the Parties agree that signatures on this Amendment shall be sufficient to bind the Parties.

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IN WITNESS WHEREOF, this Amendment No. 1, dated January 29, 2026 for identification, to the Agreement between the City of Mountain View and Silicon Valley Clean Energy for City rebate reimbursement services, is executed by CITY and SVCE.

“CITY”:
CITY OF MOUNTAIN VIEW,
a California charter city and municipal
corporation

“SVCE”:
SILICON VALLEY CLEAN ENERGY,
a joint powers authority

By: _____
City Manager

By: _____
Monica Padilla
Chief Executive Officer

APPROVED AS TO CONTENT:

Taxpayer I.D. Number

Assistant City Manager

APPROVED AS TO CONTENT:

FINANCIAL APPROVAL:

Justin Zagunis
Director of Customer Success

Finance and Administrative
Services Director

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael Callahan
General Counsel

City Attorney



Staff Report – Item 1g

Item 1g: Approve Addition to 2026 Legislative Policy Platform on a Diablo Canyon Nuclear Power Plant Extension

From: Monica Padilla, CEO

Prepared by: Bena Chang, Director of Government and Legislative Affairs

Date: 3/11/2026

RECOMMENDATION

Recommend the SVCE Board of Directors approve additions to the 2026 Legislative Policy Platform to advocate to support an extension of the Diablo Canyon Nuclear Power Plant along with affordability provisions and to support nuclear investigation and development.

EXECUTIVE COMMITTEE RECOMMENDATION

At the February 27, 2026, Executive Committee meeting, the Committee discussed and recommended adding to the 2026 Legislative Policy Platform, a policy to support an extension of the Diablo Canyon Nuclear Power Plant along with affordability provisions around reasonable cost and fair cost/benefit allocation, inclusion in planning and procurement orders, and maximizing market liquidity. In addition, the Executive Committee directed staff to add to the Board recommendation to support for nuclear investigation and development to the 2026 Policy Platform.

BACKGROUND

In December 2025, the Board approved SVCE’s 2026 Legislative Policy Platform. The Legislative Policy Platform directs staff on the Board’s legislative policies. Staff then implement the Policy Platform by taking positions on state and federal legislation.

In 2026, staff anticipate state legislation to be introduced that extends the operations of the Diablo Canyon Nuclear Power Plant beyond the current statutory retirement dates of 2029 and 2030. The 2026 Legislative Policy Platform did not include a policy position on an extension of the Diablo Canyon Nuclear Power Plant.

Diablo Canyon Power Plant is a nuclear energy facility located in San Luis Obispo County that began operation with Unit 1 in 1985 and Unit 2 in 1986 providing a carbon-free, baseload energy for PG&E customers. The two units at Diablo produce approximately 18,000 gigawatt hours of clean and consistent power. The energy from Diablo represents about 9% of energy generation in California and 17% of the state’s clean energy resources. The plant produces enough energy to power 4 million homes annually.

Diablo Canyon Nuclear Power Plant is situated near the coast and uses Once-Through-Cooling technology to pump sea water into the plant to condense steam which drives turbines. This process increases the temperature of the surrounding ocean and has altered marine life in Diablo Cove. Nuclear spent fuel is stored on-site in both wet storage pools and in an Independent Spent Fuel Storage Installation. The long-term plan is to move spent fuel to a federal repository, which has not been built yet.

Diablo Canyon Nuclear Power Plant is located near several earthquake fault lines, including the San Andreas, Hosgri, and Shoreline fault lines. It is also located along the coast, which is subject to tsunamis. The Nuclear

Regulatory Commission requires safety structures, systems and components to be designed to withstand disasters, and PG&E is in compliance with the Commission's safety requirements. PG&E actively updates its procedures and conducts training exercises to prepare for disasters including wildfires, earthquakes, and tsunamis. No major safety incidents have occurred at Diablo since it began operating in 1985.

In 2018, the California Public Utilities Commission (CPUC) approved a plan to close Unit 1 in 2024 and Unit 2 in 2025. At the time, PG&E's analysis showed that with a future influx of renewables, Diablo would run about half the time, which is uneconomic. In August of 2020, the state experienced rolling outages during a heat wave. State agencies found that, among other things, the build out of new renewable resources had not been keeping pace to ensure energy reliability. In 2022, Governor Newsom signed SB 846 (Dodd) to extend the operations of Diablo Unit 2 to 2029 and Unit 2 to 2030. The Governor argued that the extension was needed for reliability purposes due to delays in bringing renewable projects online. Part of SB 846 also prohibited state agencies from counting Diablo in planning efforts or for procurement orders.

In 2025, the Nuclear Regulatory Commission gave an interim proposal for a 20-year extension of Diablo's operating license until 2045. The proposal is contingent on PG&E obtaining necessary land use permits. PG&E obtained Coastal Commission permits in December of 2025 and obtained Regional Water Quality permits in February of 2026.

ANALYSIS & DISCUSSION

In 2020, after a decision from the CPUC, PG&E started to offer carbon-free attributes from its hydropower and nuclear energy sources to CCAs at no additional cost. SVCE's Board has chosen to accept these allocations each year, except when PG&E did not offer them in 2024. By accepting the nuclear allocation, SVCE saved \$8.3 million from 2020-2024. The Board directed staff to use the savings to benefit customers and advance the agency's mission by investing in resiliency, equity, local resources, workforce training, and building reserves. Various programs have been funded with the nuclear allocation savings, including the installation of multi-family EV chargers, portable batteries for medical baseline customers who live in wildfire or outage prone areas, and grants to member agencies for electrification demonstration and community engagement projects.

On any given year, the nuclear allocation from Diablo represents a varying percentage of SVCE's carbon-free power. Prior to 2024, Diablo represented 20% of SVCE's clean energy mix. In 2024, SVCE received no nuclear allocations. In 2025, Diablo represented 5% of SVCE's clean energy mix due to the attributes from Diablo being allocated to all CPUC jurisdictional load-serving entities per SB 846.

Any extension of the Diablo Canyon Nuclear Power Plant beyond 2029 for Unit 1 and 2030 for Unit 2 would require state legislation, which may be introduced this year. State legislation would provide an opportunity to relook at the rules around Diablo Canyon's allocations.

The first question is whether the state should extend Diablo's operations.

From a reliability perspective, Diablo produces a significant percentage of the state's energy and clean energy resources. As a baseload resource, power from Diablo is dependable and consistent.

From an affordability perspective, in 2024, PG&E estimated that the operations of Diablo resulted in wholesale electricity cost savings of \$474 million to PG&E customers. In 2025, the CPUC's Transmission Planning Process analysis found that Diablo saves \$600 million to \$1.2 billion from not having to construct replacement power from solar and batteries. The savings increase to \$2.7 billion to \$3.7 billion a year if offshore wind and long-duration storage are not built. Additionally, Diablo's site has significant value due to its already existing transmission infrastructure. Keeping this asset online gives that value the best chance of being realized.

As part of a Diablo extension, SVCE staff recommend advocating for additional policies to support system affordability. Examples include:

- 1) **Reasonable Cost and Fair Cost/Benefit Allocations:** The costs from continued Diablo operations should be reasonable and the costs and benefits should be fairly allocated to ratepayers and other interested stakeholders based on historic and future need. As an example, if SVCE's customers pay for the continued operations of Diablo, SVCE's customers should also receive the proportional benefit of the attributes. Without the attributes, SVCE would have to acquire additional resources to meet compliance obligations.
- 2) **Inclusion in Planning and Procurement Orders:** Diablo should be included in statewide planning and procurement orders to mitigate the need for new procurement. If the state is requiring the build-out of renewable resources to replace Diablo *and* Diablo remains operational, the state would be overbuilding renewable resources to the detriment of affordability.
- 3) **Maximize Market Liquidity:** An extension of Diablo should also maximize market liquidity through mechanisms such as allowing load-serving entities to resell allocations from Diablo. This market liquidity is important for ratepayer affordability.

STRATEGIC PLAN

Approving the addition of support for nuclear investigation and development and support for an extension of the Diablo Canyon Nuclear Power Plant and related affordability policies to the 2026 Legislative Policy Platform supports Goal 1 of the Strategic Plan to "advance policies which support SVCE's mission to reduce dependence on fossil fuels."

ALTERNATIVE

The Board could choose to not add supporting nuclear investigation and development or an extension of the Diablo Canyon Nuclear Power Plant to the 2026 Legislative Policy Platform, add a policy to oppose nuclear development or the extension of Diablo, or direct staff to remain neutral on the issues.

FISCAL IMPACT

The extension of Diablo Canyon Nuclear Power Plant's operations is projected to deliver \$2-\$12 million in annual value for SVCE, totaling around \$30-\$190 million through the full extension to 2045.

ATTACHMENT

1. Proposed updates to the 2026 Legislative Policy Platform (redline)

Attachment 1

2026 Silicon Valley Clean Energy Legislative Policy Platform

Purpose

Active participation in the state and federal legislative processes is an important tool for ensuring that SVCE can continue to serve our customers and uphold our commitment to decarbonization. When Congress and the California legislature are in session, it is crucial that SVCE staff be able to quickly and efficiently determine SVCE's positions on bills or amendments, communicate those positions to legislators, and advocate as appropriate. This platform is therefore designed to:

- Articulate SVCE's legislative priorities for the 2026 legislative session and beyond;
- Allow SVCE staff to take positions on bills for SVCE without explicit Board approval as long as they are consistent with this platform; and
- Guide optimal use of SVCE advocacy time and resources.

Process

SVCE will review the policy platform at the conclusion of the previous year's legislative session. The purpose of the review will be to discuss the outcomes of that year's legislative session, develop goals and priorities for the upcoming session for the following year, and identify any desired updates to this policy platform. Updates to the platform will be drafted by SVCE staff and formally presented for a vote of the Board.

Policy Platform

Affordability & Rates

SVCE supports affordable rates that do not place an undue total energy burden on customers or discourage electrification, with consideration for the customer's socio-economic status. SVCE is interested in lowering the overall customer energy bill while still recovering sufficient funds to operate the electricity system reliably.

- Policy Examples:
 - Advocate for protections for low-income customers to ensure reasonable rates and to increase access to decarbonization programs that may otherwise be inaccessible.
 - Advocate for and pursue, as appropriate, alternative funding sources to help minimize ratepayer costs associated with the clean energy transition and look for ways to make accessing these funds easy. Examples include supporting alternative transmission and distribution financing mechanisms and alternative sources for needs like wildfire mitigation and offshore wind port infrastructure.

- Advocate for policies that support the development of the least cost system including reducing time and costs of bringing distribution and transmission system improvements online, efforts to make the distribution planning process and preparations for an increase in distributed energy resources more transparent, options for wildfire mitigation that provide best cost to benefit ratios, and municipalization.
- Support rate structures that encourage electrification while balancing need to use energy efficiently.
- Advocate for transparent and affordable pricing for EV charging.
- Advocate for continued use of clean energy prepay mechanisms to achieve cost savings for customers.
- Advocate for the evaluation of affordability impacts of policies.

Climate Change Mitigation/Fuel Switching

SVCE supports funding, projects, and programs to decarbonize the economy, especially in the electric, building, and transportation sectors. SVCE seeks opportunities to amplify the learnings from our programs through regional, state, and federal levels both through policy and funding. SVCE supports efforts to remove barriers to fuel switching/decarbonization.

- Policy Examples:
 - Advocate for funding opportunities to support clean energy and climate change mitigation. Support local administration/control of program dollars and for CCAs to be eligible recipients of grant funding as appropriate.
 - Support efforts to transition buildings to electric, including removing the obligation to serve gas requirement, efforts to modernize permitting, optimizing utility allowance schedules, streamlining processes and timelines to energize projects, financing models, and supporting requirements to replace air conditioning with bidirectional heat pumps.
 - Support efforts to encourage overall energy efficiency and energy conservation.
 - Support funding for EV charging infrastructure, maintenance, and reliability. Ensure EV policies are technology neutral and advocate for affordable EV charging access.
 - Advocate for increased funding for clean energy workforce training and investments.
 - Support efforts to decarbonize industrial uses and processes, including reducing the use of baseload fuel cells that use methane gas.

- Support industry practices in evolving to develop robust supply chains for all-electric technologies to prepare for future widespread electrification.
- Increased customer access to sub-hourly smart meter data to avoid unnecessary service upsizing.
- Advocate for modernization of CPUC Public Purpose Programs to better align funding to the state's decarbonization and affordability goals.

Clean, Reliable Grid

SVCE supports investments in, and removal of barriers to, building transmission to connect renewable projects that enable the transition to a cleaner grid. SVCE supports a reliable electric system, including the smart build out of the distribution grid to enable increased electrification and a large number of distributed energy resources to operate without straining the grid.

- Policy Examples:
 - Support investments in transmission and distribution grid upgrades and efforts to reduce interconnection and energization barriers and distribution grid failures, including modernization of the California Environmental Quality Act for renewable energy projects.
 - Support efforts to ease supply chain constraints and get renewable projects online faster.
 - Advocate for investments and policies that increase the reliability of the electric system through the encouragement and fair treatment of carbon-free sources like nuclear, wind, and geothermal while recognizing the role of fossil fuels with the transition to renewables.
 - Ensure that penalties appropriately incentivize the production of renewables and clean capacity instead of inadvertently raising the price floor of electric resources in the market.
 - Support efforts to strengthen the market for Virtual Power Plants by providing more regulatory certainty and aligning incentive structures.
 - Support the investigation and development of nuclear energy.
 - Support an extension of Diablo Canyon Nuclear Power Plant along with affordability provisions around reasonable cost and fair cost/benefit allocation, inclusion in planning and procurement orders, and maximizing market liquidity.

Competitiveness/Do No Harm

SVCE supports the CCA model of local government governance, while acknowledging system-wide needs. Any system needs should have maximum flexibility to allow local authority and discretion to meet goals and ensure a level-

playing field.

- Policy Examples:
 - o Advocate to maintain CCA program autonomy.
 - o Advocate for Power Charge Indifference Adjustment (PCIA) to maintain indifference between bundled and unbundled customers.
 - o Ensure that the role of a Central Procurement Entity preserves CCA's responsibility to procure energy while finding a system that maximizes cost efficiency and reliability. Limit the Central Procurement Entity's role to emerging technologies.
 - o Advocate for flexible Brown Act requirements that allow remote access for board members.
 - o Advocate for sound long-term integrated resource planning which moves away from procurement orders. However, if orders are necessary, advocate for flexibility and goal-based procurement based on individual load serving entities' needs, instead of prescriptive, technology-specific mandates and allocated regardless of need.
 - o Advocate for IOU restructuring to more closely align business interests and incentives with customer interests, including potential IOU exit from generation services.
 - o Advocate for streamlined reporting standards that minimize administrative burdens while maintaining local control and transparency for self-funded CCA programs.
 - o Support policies that help CCAs accurately forecast and appropriately serve load growth from data centers.

Health Impact/Safety

SVCE supports policies that increase the safety of the electric infrastructure and the community.

- Policy Examples:
 - o SVCE recognizes the harmful health impacts of methane gas and gasoline and seeks to decarbonize buildings and transportation to address these impacts.
 - o Support efforts to increase the safety of the distribution and transmission infrastructure.

Low-income and Vulnerable Communities

SVCE supports policies that support low-income and historically underserved communities through affordable electricity rates and priority access to decarbonization and climate mitigation programs.

- Policy Examples:
 - o Support programs that invest in low-income and historically disadvantaged communities either through separate tracks that dedicate funding to or that give larger amounts of subsidies for these groups.
 - o Support tenant access to the benefits of decarbonization programs and tenant protections.
 - o Support efforts to repeal Proposition 209, which limits public agencies' ability to engage in equity efforts.
 - o Support inclusive definitions of low-income and historically underserved communities that capture all communities and not just certain census tracts.

Customer Accessibility

SVCE supports increasing accessibility and removing barriers around energy and climate mitigation initiatives.

- Policy examples:
 - o Support efforts to make billing simple to understand.
 - o Support efforts to streamline and remove barriers to accessing electrification programs.



Staff Report – Item 1h

Item 1h: Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Amended and Restated Agreement with Morgan Stanley Capital Group, Inc. to Update the Execution of Energy Transactions

From: Monica Padilla, CEO

Prepared by: Willy Wang, Contracts and Settlements Manager

Date: 3/11/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2026-05 (Attachment 1) delegating authority to the Chief Executive Officer (CEO) to finalize negotiations and execute a Master Agreement (as defined below) with Morgan Stanley Capital Group, Inc (MSCG).

Specifically, the CEO requests authority to execute the Master Agreement as provided for in Attachment 2, the Amended and Restated Master Power Purchase and Sale Agreement (A&R Master Agreement).

BACKGROUND

SVCE bases its power supply agreements on the industry-standard Edison Electric Institute (EEI) master power purchase and sale agreement ("Master Agreement"). The Master Agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. The SVCE Board of Directors ("Board") via resolution and/or minute action, has authorized the CEO to execute Master Agreements with multiple counterparties and has delegated authority to transact under the Master Agreements contingent on limits related to term, price and/or products such as renewable energy and resource adequacy capacity. To-date, SVCE has executed EEI agreements with 22 counterparties, most recently with TotalEnergies Gas & Power North America, Inc. in September 2025.

The Board-approved Energy Risk Management Policy ("ERM Policy") establishes limits for the types of transactions the CEO, or her designee, may execute along with limits on authority related to term, volume and dollars and necessary oversight. The Board most recently approved a revised ERM Policy in May 2025. The Master Agreements are intended to work within the parameters of the ERM Policy.

The purpose of this A&R Master Agreement is to modernize our policies with MSCG. The original EEI with MSCG was one of the first EEIs that SVCE entered into and, at the time, SVCE did not have a credit rating from the credit agencies. This required SVCE to collateralize its transactions with MSCG using its receivables via a "lockbox arrangement" whereby MSCG would have first call to SVCE's receivables. Since then, SVCE has obtained investment grade credit ratings from S&P and Moody's. This A&R Master Agreement terminates the lockbox arrangement and establishes negotiated collateralization levels for both parties, which aligns with more recent Master Agreements.

The two parties have agreed to the attached A&R Master Agreement, which has been reviewed and approved by SVCE's counsel and are consistent with the terms approved by the Board under existing Master Agreements.

ANALYSIS & DISCUSSION

The Master Agreements do not itself obligate SVCE to execute transactions but rather enables parties to transact various types of energy and related services such as renewable energy resources to meet Renewable Portfolio Standards (RPS); carbon-free resources; system energy at fixed and/or index prices and resource

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adequacy capacity products. The Master Agreement between SVCE and each counterparty includes standard, boilerplate terms and conditions, with modifications negotiated by the parties via a "Cover Sheet" as well as certain global credit provisions. Energy transactions are made through competitive solicitations and memorialized via written "Confirmations" setting forth the specifics of the purchase such as term, product, volume, and price.

The Board may either execute Master Agreements and subsequent Confirmations or delegate such authority to the CEO, which the Board has done subject to certain limitations and adherence to the Board-approved Energy Risk Management Policy.

Changing collateralization to use our investment grade credit ratings does not carry any costs and will align this EEI with our more recent Master Agreements.

ALTERNATIVE

SVCE could choose to not execute the A&R Master Agreement with MSCG, which would necessitate the continued use of the lockbox arrangement and bearing the cost of using receivables as collateral.

STRATEGIC PLAN

SVCE's Strategic Plan, Goal 4, directs staff to acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.

FISCAL IMPACT

There is no expected fiscal impact as a result of approving this A&R Master Agreement with MSCG. Any future transactions with MSCG would be made within SVCE's approved budget at the time.

ATTACHMENTS

1. Resolution 2026-05 Delegating Authority to the Chief Executive Officer to Finalize Negotiations and Execute an Amended and Restated Master Agreement with Morgan Stanley Capital Group, Inc.
2. Amended and Restated Master Power Purchase and Sale Agreement with Morgan Stanley Capital Group, Inc.

RESOLUTION NO. 2026-05

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO FINALIZE NEGOTIATIONS AND EXECUTE AN AMENDED AND RESTATED MASTER AGREEMENT WITH MORGAN STANLEY CAPITAL GROUP, INC.

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

WHEREAS, the Silicon Valley Clean Energy Authority (“Silicon Valley Clean Energy”) was formed on March 31, 2016;

WHEREAS, Silicon Valley Clean Energy launched service under a community choice aggregation program on April 3, 2017;

WHEREAS, to provide such service, Silicon Valley Clean Energy purchases energy, renewable energy, carbon free energy, resource adequacy and related products and services (the “Product”) from energy generating sources that are cleaner and have a higher percentage of renewable energy than that provided by the incumbent utility and at competitive prices;

WHEREAS, the EEI Master Agreement (“Master Agreement”) is an industry standard framework agreement used for the purchase of Product that establishes certain terms and conditions for the contractual relationship between an energy purchaser and energy supplier, but which does not require a purchaser to purchase or a supplier to supply the Product without further written agreements executed in accordance with the terms and conditions of a Master Agreement (“Confirmations”);

WHEREAS, the following Suppliers are currently parties to an Approved Master Agreement:

3 Phases Renewables Inc.
BP Energy Company
Boston Energy Trading and Marketing LLC
Calpine Energy Services, L.P.
Citadel Energy Marketing LLC
City of Palo Alto
Constellation Energy Generation, LLC
DTE Energy Trading, Inc.
Dynasty Power Inc.
J. Aron & Company LLC

Mariposa Energy, LLC
Morgan Stanley Capital Group, Inc.
NextEra Energy Marketing, LLC
NRG Business Marketing LLC
Pacific Gas and Electric Company
Powerex Corp.
Shell Energy North America (US), L.P.
Southern California Edison Company
TransAlta Energy Marketing (US) Inc.
TotalEnergies Gas & Power North America, Inc.
Wellhead Power Exchange, LLC

WHEREAS, the Board continues to reserve to itself the authority to authorize new Approved Master Agreements; and

WHEREAS, Board Resolution 2019-03 provides authority to the Chief Executive Officer to execute confirmations and amendments thereto, from time to time consistent with and subject to the limits, requirements, oversight and authority under ERM Policy, with suppliers that are parties to an Approved Master Agreement;

WHEREAS, Silicon Valley Clean Energy desires to enter into an Amended and Restated Agreement with Morgan Stanley Capital Group, Inc. to transact Product and has agreed to terms and conditions consistent with Approved Amended and Restated Agreements.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to:

1. Finalize negotiations and execute an Amended and Restated Agreement with Morgan Stanley Capital Group, Inc. with terms consistent with the form of agreement presented to the Board of Directors, with any non-material changes, additions, variations or deletions (“Changes”) which following such execution by both parties, shall become an Approved Amended and Restated Agreement.

ADOPTED AND APPROVED this 11th day of March 2026, by the following vote:

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

City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Page				
City of Sunnyvale	Director Klein				

Chair

ATTEST:

Secretary

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AMENDED AND RESTATED MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Amended and Restated Master Power Purchase and Sale Agreement* (“Master Agreement”) is made as of the following date: [date] (“Effective Date”). The Parties intend for this Master Agreement to replace in its entirety that certain Master Power Purchase and Sale Agreement entered between the Parties dated as of November 23, 2016 and amended by that certain First Amendment to Master Power Purchase and Sale Agreement dated as of June 1, 2021 (“Original Master Agreement”). Upon the Effective Date of this Master Agreement, the Original Master Agreement shall be of no further force or effect and any outstanding Transactions entered under the Original Master Agreement shall be governed by this Master Agreement. The Collateral Annex, including the Paragraph 10 elections, dated as of the date of this Master Agreement, attached hereto as Exhibit A, is hereby added to the EEI. All existing and future Transactions will be subject to and margined under the aforementioned Collateral Annex. The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions shall be referred to as the “Agreement.”

Upon execution of this Master Agreement by both Parties, both Parties agree to hereby terminate the Joinder to Intercreditor and Collateral Agency Agreement, dated June 1, 2021, attached hereto as Exhibit B, that was previously executed and delivered to the Collateral Agent (as defined in the Intercreditor Agreement dated December 15, 2016).

The Parties to this Master Agreement are the following:

Name: Morgan Stanley Capital Group (“Party A”)

Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“SVCE” or “Party B”)

All Notices:

Commodities Department – 3rd Floor
1585 Broadway
New York, New York 10036
Attn: Power Manager
Phone: [REDACTED]
Facsimile: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

All Notices:

333 W. El Camino Real, Suite 330
Sunnyvale, California 94087
Attn: Monica Padilla, CEO and Kris Van Vactor,
Director of Power Resources
Phone: (408) 549-2683
Email [REDACTED] and
[REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Commodities Settlements
Phone: [REDACTED]
Email: [REDACTED]

Invoices:

Attn: Power Supply Group
Phone: (408) 721-5301
Email: [REDACTED]

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Scheduling:

Attn: 24-hour Scheduling in US:
Phone: [REDACTED]
Pre-scheduling:
[REDACTED]
24-hour Scheduling in Vancouver:
[REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Option Exercise Line:

Phone: (914) 225-1501

Payments:

Attn: Commodities Settlements
Phone: [REDACTED]
Email: [REDACTED]

Wire Transfer:

BNK: Northern Trust International NY
ABA: [REDACTED]
ACCT: [REDACTED]
Morgan Stanley Capital Group Inc.

Credit and Collections:

Attn: Collateral Department
Phone: [REDACTED]
Email: [REDACTED]

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Morgan Stanley Capital Group Inc.
1585 Broadway
New York, New York 10036-8293
Attention: Close-out Notices
Phone: N/A
Email: *With a mandatory copy to:*
Email.: [REDACTED]
[REDACTED]

Scheduling:

Attn: Tenaska
Team Email: [REDACTED]
Attn: 24x7 Operations Desk
Phone: [REDACTED]
Email: [REDACTED]
Attn: Adam Cochran, Manager, Operations
Phone: [REDACTED]
[REDACTED]
Email: [REDACTED]
Attn: Paul Messmann, Senior System Operator
Phone: [REDACTED]
[REDACTED]
Email: [REDACTED]
Outage information: [REDACTED]
Resource testing information: [REDACTED]

Payments:

Attn: Finance Group
Phone: (408) 721-5301
Email: [REDACTED]

Wire Transfer:

BNK: River City Bank
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: Finance Group
Phone: (408) 721-5301
Email: [REDACTED]

With additional Notices of an Event of Default or Potential Event of Default to:

Michael Callahan, General Counsel
Email: [REDACTED]
and to:
Kris Van Vector, Director of Power Resources
Email: [REDACTED]
and to:
Amrit Singh, Chief Financial Officer/Director of Administrative Services
Email: [REDACTED]

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The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: Market-Based Rate Tariff Dated: 11/8/1994 Docket Number: ER94-1384-000

Party B Tariff: N/A

Article Two

Transaction Terms and Conditions ■ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ■ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies □ Cross Default for Party A:
Party A: _____ Cross Default Amount: \$ _____
■ Other Entity: Morgan Stanley Cross Default Amount: [REDACTED]
■ Cross Default for Party B:
■ Party B: SVCE Cross Default Amount: [REDACTED]
□ Other Entity: Cross Default Amount: \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
- Option B – Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows:
- Option C (No Setoff)

Article Eight

Credit and Collateral Requirements

8.1 Party A Credit Protection:

- (a) Financial Information:
 - Option A
 - Option B Specify:
 - Option C Specify:

(1) The annual report containing audited consolidated financial statements for such fiscal year of Silicon Valley Clean Energy as soon as practicable after demand, but in no event later than 120 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at <https://www.svcleanenergy.org>, and (2) quarterly unaudited financial statements for Silicon Valley Clean Energy as soon as practicable upon demand, but in no event later than 60 days after the applicable quarter. In all cases the statements shall be for the most recent accounting period and shall be prepared

in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly audited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B's fiscal year ends June 30.

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

See the Collateral Annex attached hereto, which upon effectiveness shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(d) Downgrade Event:

- Not Applicable
- Applicable

(e) Guarantor for Party B: N/A

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
- Option B - Specify:
- Option C - Specify: Morgan Stanley

The annual report containing unaudited consolidated financial statements for such fiscal year of Party A's Guarantor as soon as practicable after demand, but in no event later than 120 days after the end of each annual period of Party A's Guarantor and unaudited semi-annual financials within 60 days after the end of each semi-annual period of Party A's Guarantor, and such request will be deemed to have been filled if such financial statements are available at: www.morganstanley.com or at www.sec.gov. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently

pursues the preparation, certification and delivery of the statements.

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

See the Collateral Annex attached hereto which upon effectiveness shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(d) Downgrade Event:

- Not Applicable
- Applicable

(e) Guarantor for Party A: Morgan Stanley

Guarantee Amount: [REDACTED]

Article Ten

Confidentiality Confidentiality Applicable If not checked, inapplicable.

Schedule M

- Party A is a Governmental Entity or Public Power System
- Party B is a Governmental Entity or Public Power System
- Add Section 3.6. If not checked, inapplicable
- Add Section 8.4. If not checked, inapplicable.

Other Changes The following changes shall apply:

1. Section 1.1 is amended by adding the following sentence at the end of the definition:

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an "Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith and shall exclude, in the case of Party A, any such person that is not organized or existing under the jurisdiction of Canada or the United States or a political subdivision thereof and Morgan Stanley Derivative Products Inc.”

2. Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.

3. Section 1.12 is amended by deleting the word “issues” and replacing it with “issue”.

4. Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two.”

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5. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.
6. Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank.”
7. Section 1.50 (Recording) Delete the reference to “Section 2.4” and replace it with “Section 2.5”.
8. Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point”, and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.
9. Section 1.52 is deleted in its entirety and replaced as follows: “S&P” means S&P Global Ratings, or its successor.”
10. Section 1.53 is amended by:
 - (i) deleting the phrase “at the Delivery Point” from the second line;
 - (ii) deleting the phrase in the fifth line “at the Seller’s option” and replacing it with “absent a sale”; and
 - (iii) inserting after the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed equal to zero (0).”
11. Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”
12. Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.
13. Section 1.61 is amended by adding the following definition: “Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).”
14. In Section 2.1, delete the first sentence in its entirety and replace with the following:

“A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”
15. In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting

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forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”

16. Section 2.3 is hereby deleted in its entirety and replaced with the following:

“**Confirmation.** A Transaction shall be entered into only by a written confirmation in a form mutually agreeable to both Parties and signed by both Parties (“Confirmation”). Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Confirmations may not be amended or modified except by an instrument in writing signed by both of the Parties.”

17. Section 2.4 is hereby amended by deleting the words “either orally or” in the sixth line.

18. Section 3.2 is hereby amended by adding the following text to the end of the Section: “Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”

19. Section 3.3 is hereby amended by adding at the end thereof:

“The non-Claiming Party shall have until the end of the next Business Day to notify the Claiming Party that it objects to or disputes the existence of Force Majeure.”

20. In Section 5.1(a), change “three (3) Business Days” to “five (5) Business Days”.

21. Section 5.1(h)(ii) is amended by deleting the phrase “and such failure shall not be remedied within three (3) Business Days after written notice” in the third and fourth line thereof.

22. In Section 5.1(g), delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and add the following at the end of the Section:

“provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”

23. Section 5.1(h)(v) – “Events of Default”

Add “made in connection with this Agreement” after “any guaranty”.

24. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not remedied within five (5) Business Days after written notice;”

“(j) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days;”

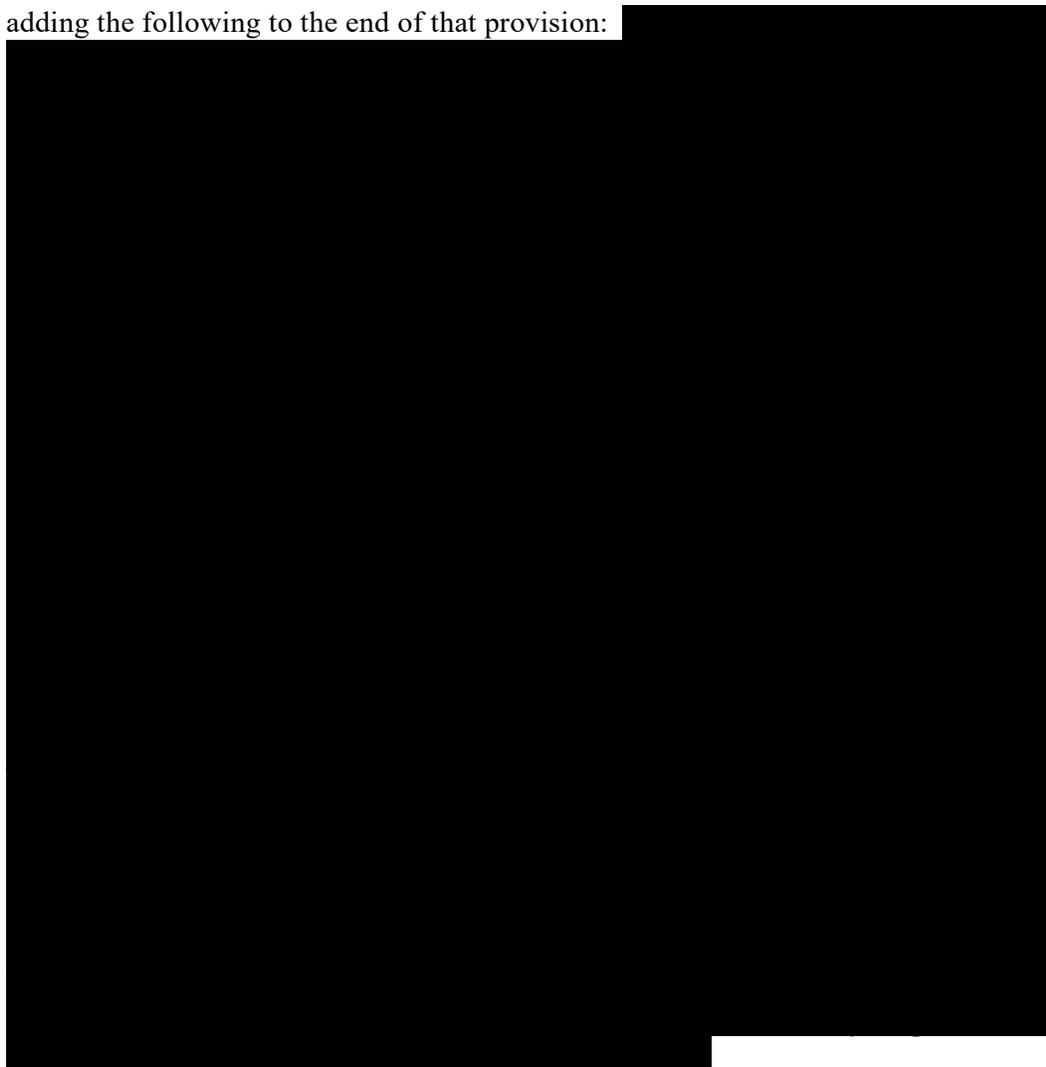
“(k) A Party or its Guarantor suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party or one

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of its Affiliates and the other Party or one of its Affiliates, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”

25. Section 5.2 is amended by:

- (i) changing in line 3 “Tight (i) to” to “right to (i)”;
- (ii) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”; and
- (iii) adding the following to the end of that provision:



26. Section 5.3 is amended by inserting before the first line thereof the following new sentence:

“A Party shall determine the Settlement Amount for each Terminated Transaction as of the relevant Early Termination Date, or if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable.”

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27. Section 5.3 shall be amended by adding the phrase [REDACTED]
28. In Section 6.3, lines 3, 16 & 18, change twelve (12) months to twenty-four (24) months.
29. In Sections 8.1(d) and 8.2(d) on line 5, change “three (3) Business Days” to “five (5) Business Days”.
30. In Section 8.2(d), remove “determined by Party A in a commercially reasonable manner” at the end of the first sentence and replace it with “equal to the amount of the Termination Payment”.
31. Section 8.4 is added as follows:

“In no event shall a Party be required to provide Credit Assurances, Independent Amounts or any other collateral that in the aggregate exceeds Termination Payment.”
32. After Section 10.2(xii) add the following:

“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;

(xiv) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”;

(xvi) each Party’s rights under Section 5.2, Declaration of an Early Termination Date and Calculation of Settlement Amounts, and Section 5.3, Net Out of Settlement Amounts, constitute a “contractual right to liquidate” Transactions;

(xvii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);

(xviii) it is an “eligible contract participant” within the meaning of Section 1a (18) of the Commodity Exchange Act; and

(xix) it continuously represents that it is not (i) an employee benefit plan (hereinafter an “ERISA Plan”), as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), subject to Title I of ERISA or a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended, or subject to any other statute, regulation, procedure or restriction that is materially similar to Section 406 of ERISA or Section 4975 of the Code (together with ERISA Plans, “Plans”), (ii) a person any of the assets of whom constitute assets of a Plan, or (iii) in connection with any Transaction under this Agreement, a person acting on behalf of a Plan, or using the assets of a Plan. It will provide notice to the other party in the event that it is aware that it is in breach of any aspect of this representation or is aware that with the passing of time, giving of notice or expiry of any applicable grace period it will breach this representation.

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33. Section 10.2(viii) is hereby amended by adding at the end thereof:

“; it is understood that information and explanations of the terms and conditions of each such Transaction shall not be considered investment or trading advice or a recommendation to enter into that Transaction, and the other Party is not acting with respect to any communication (written or oral) as a "municipal advisor," as such term is defined in Section 975 of the U.S. Dodd-Frank Wall Street Reform & Consumer Protection Act; no communication (written or oral) received from the other Party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction; and the other Party is not acting as a fiduciary for or an adviser to it in respect of that Transaction;”

34. Section 10.2(ix) shall be deleted in its entirety and replaced with the following:

“it is a “forward contract merchant” within the meaning of the Title 11 of the United States Code, as amended (the "Bankruptcy Code”), all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute a “settlement payment” within the meaning of the Bankruptcy Code, all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute a “margin payment” within the meaning of the Bankruptcy Codes, each Party shall have the “contractual right” to terminate, liquidate, accelerate, or offset the transaction as a “master netting agreement participant” within the meaning of the Bankruptcy Code, electricity delivered hereunder constitutes a “good” under Section 503(b)(9) of the Bankruptcy Code, and the Parties are entities entitled to the rights under, and protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

35. Section 10.5 shall be amended by deleting the words from the beginning of clause (ii) through the words prior to "provided, however" and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”.

36. Section 10.6 shall be amended by deleting the sentence “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.”;

and adding the following after the last line: “NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY, (a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH

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OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION, (b) EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.

The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the prevailing Party shall be entitled to an award of its fees and expenses of any referee appointed in such action or proceeding.”

37. Section 10.7 is deleted in its entirety and replaced with the following:

“**Notices.** All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or email. Notice given by email or hand delivery shall be effective upon actual receipt if received during the recipient’s normal business hours, or at the beginning of the recipient’s next business day after receipt if not received during the recipient’s normal business hours. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith; provided, however, that changes to invoice, payment, wire transfer and other banking information on the Cover Sheet must be made in writing and delivered via certified mail and shall include contact information for an authorized person who is available by telephone to verify the authenticity of such requested changes to the Cover Sheet.

38. Section 10.8 shall be amended by:

(i) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6, (vii) Section 10.13 and (viii) section 10.4 shall also survive the termination of the Agreement or any Transaction.”; and

(ii) adding the following to the end thereof: “This Master Agreement may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any

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Confirmation by a PDF attachment to an email be the same as delivery of a manually executed signature page.”

39. In section 10.9 insert the words “certified and authenticated copies of, or originals at the option of the Party providing the records” after the word “examine” in line 2.

40. Section 10.10 shall be amended by adding the following after the last sentence of Section 10.10:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

41. Section 10.11 is deleted in its entirety and replaced with the following:

“10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to, or any annex to, this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors, or any such representatives of a Party’s Affiliates (all collectively referred to as “Representatives”) who have a need to know such information and who the Party is satisfied will keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or request by a regulatory authority and in the event that any disclosure is requested or required by the regulatory authority or a government body by interrogatory, request for information or documents, subpoena, deposition, civil investigative demand or applicable law, the Party subject to such request or requirement may disclose to the extent so requested or required but shall promptly notify the other Party, prior to such disclosure, if such Party’s counsel determines that such notice is permitted by law, so that the other Party may seek an appropriate protective order or waive compliance with the provisions of this Section 10.11. Failing the entry of a protective order or the receipt of a waiver hereunder, that Party may disclose that portion of the Confidential Information as requested or required. In any event, a Party will not oppose action by the other to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. Each Party shall be liable for breach of any confidentiality obligation pursuant to this Master Agreement by such Representatives. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index. Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section

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3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255). Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential”. The parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made as specified in the Cover Sheet. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

42. The following Mobile-Sierra clause shall be added as a Section 10.12:

“10.12 Standard of Review/Modifications.

(a) Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Agreement or any Transaction entered into thereunder, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall be the *Mobile Sierra* “public interest” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674. 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this

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Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).”

43. The following shall be added as a new Section 10.13:

“Party B’s Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A a certificate, dated as of the Effective Date and signed by an authorized signatory of Party B, certifying as to the completeness and correctness of attached copies of (i) the deliveries of Party B under Section 3.4, and (ii) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith, and setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B.”

44. The following shall be added as a new Section 10.14:

“Party A’s Deliveries. On the Effective Date and as a condition to the obligations of Party B under this Agreement, Party A shall provide to Party B a certificate, signed by an authorized signatory of Party A, certifying as to the completeness and correctness of attached copies of (i) a certificate of good standing issued by the Delaware Secretary of State as of a recent date, (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of a physical power Master Agreement and any Confirmations executed in connection therewith, and (iii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

45. The following shall be added as a new Section 10.15:

“Physical Transactions. The Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party B is a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers.”

46. The following new Section shall be added as Section 10.16:

“Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings,

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will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Confirmation or the Imaged Agreement (or photocopies of the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

47. The following new Section shall be added as Section 10.17:

“Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

“Determination Period” means each calendar month, a part or all of which, is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

“Floating Price” means a Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

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(ii) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

48. The following new Section shall be added as Section 10.18:

“Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement.”

49. The following shall be added as Section 10.19:

“No Recourse Against Constituent Members of Party B. Party B is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party B will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any of Party B’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s constituent members, in connection with this Agreement.”

SCHEDULE M: GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEMS

Schedule M is deleted in its entirety and replaced with the following:

1. The Parties agree to add the following definitions to Article One:

“Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political

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subdivision or public entity of the United States, one or more States or territories or any combination thereof.

2. The following sentence shall be added to the end of the definition of “**Force Majeure**” in Article One:

“If the Claiming Party is a Party B, Force Majeure does not include any action taken by Party B in its governmental capacity.”

3. The Parties agree to add the following sections to Article Three:

“Section 3.4 Party B’s Deliveries. Upon request by Party A, Party B shall provide Party A (a) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (b) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith, and setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B.

Section 3.5 No Immunity Claim. Party B warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to the Secured Account from (a) suit, (b) jurisdiction of court (provided that such court is located within a venue permitted under the Agreement), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment; provided, however, that nothing in this Agreement shall waive the obligations and/or rights set forth in the California Government Claims Act (Government Code Section 810 et seq.).

4. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to its general funds a revenue base that is adequate to cover Public Power System’s payment obligations hereunder.

5. The Parties agree to add the following representations and warranties to Section 10.2:

“Party B represents and warrants to Party A continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and all applicable laws and Party B’s ordinances, bylaws or other regulations, (ii) all persons making up

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the governing body of Party B are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Party B are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) Party B's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Party B's obligations hereunder and under each Transaction, (vi) entry into and performance of this Master Agreement and each Transaction by Party B will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Party B or any members of Party B otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Party B or create any kind of lien on, or security interest in, any property or revenues of Party B."

6. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

"NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY.'"

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

1. The following shall be added at the end of Schedule P:

"If the Parties agree to a service level/product defined by reference to a different agreement (*e.g.*, the MAPP Restated Agreement, the WSPP Agreement, ERCOT Guides) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be as defined by such other agreement, including if applicable, the regional reliability requirements and guidelines as well as the specific excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable."

2. The following shall be added at the end of Schedule P:

"“CAISO Energy” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the California Independent System Operator (“CAISO”) Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO tariff, as amended from time to time for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” as defined in the CAISO Tariff.”

3. The following shall be added at the end of Schedule P:

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“West Firm” or “WSPPC-Firm” means with respect to a Transaction, a Product defined by the WSPP Agreement as amended, in Service Schedule C as Firm Capacity/Energy Sale or Exchange Service.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

MORGAN STANLY CAPITAL GROUP INC.

**SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers authority**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

EXHIBIT A

COLLATERAL ANNEX

This Collateral Annex, together with the Paragraph 10 Elections, (the “Collateral Annex”) supplements, forms a part of, and is subject to, the EEI Master Power Purchase and Sale Agreement, dated September 8, 2025, including the Cover Sheet and any other annexes thereto between Morgan Stanley Capital Group Inc. (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”). Capitalized terms used in this Collateral Annex but not defined herein shall have the meanings given such terms in the Agreement.

The obligations of each Party under the Agreement shall be secured in accordance with the provisions of this Collateral Annex, which, except as provided below, sets forth the exclusive conditions under which a Party will be required to Transfer Performance Assurance in the form of Cash, a Letter of Credit or other property as agreed to by the Parties, as well as the exclusive conditions under which a Party will release such Performance Assurance. This Collateral Annex supercedes and replaces in its entirety Sections 8.1(c), 8.2(c) and 8.3 of the Agreement and the defined terms used therein to the extent that such terms are otherwise defined and used in this Collateral Annex. In addition, to the extent that the Parties have specified on the Cover Sheet that Sections 8.1(b), 8.1(d), 8.2(b) or 8.2(d) of the Agreement are applicable, then the definition of Performance Assurance as used in this Collateral Annex shall apply and Paragraphs 2, 6, 7 and 9 of this Collateral Annex shall apply to any such Performance Assurance posted under such provisions, it being understood that nothing contained in this Collateral Annex shall change any election that the Parties have specified on the Cover Sheet with respect to Sections 8.1(b), 8.1(d), 8.2(b) or 8.2(d) of the Agreement, which provisions require a Party to Transfer Performance Assurance under certain circumstances not contemplated by this Collateral Annex.

Paragraph 1. Definitions.

For purposes of this Collateral Annex, the following terms have the respective definitions set forth below:

“Calculation Date” means any Local Business Day on which a Party chooses or is requested by the other Party to make the determinations referred to in Paragraphs 3, 4, 5 or 8 of this Collateral Annex.

“Cash” means U.S. dollars held by or on behalf of a Party as Performance Assurance hereunder.

“Collateral Account” shall have the meaning attributed to it in Paragraph 6(a)(ii)(B).

“Paragraph 10 Cover Sheet” means the Cover Sheet attached to this Collateral Annex setting forth certain elections governing this Collateral Annex.

“Collateral Requirement” shall have the meaning attributed to it in Paragraph 3(b).

“Collateral Threshold” means, with respect to a Party, the collateral threshold, if any, set forth in the Paragraph 10 Cover Sheet for a Party.

“Collateral Value” means (a) with respect to Cash, the face amount thereof; (b) with respect to Letters of Credit, the Valuation Percentage multiplied by the stated amount then available under the Letter of Credit to be unconditionally drawn by the beneficiary thereof; and (c) with respect to other forms of Performance Assurance, the Valuation Percentage multiplied by the fair market value on any Calculation Date of each item of Performance Assurance on deposit with, or held by or for the benefit of, a Party pursuant to this Collateral Annex as determined by such Party in a commercially reasonable manner.

“Credit Rating” means with respect to any entity, on any date of determination, the respective ratings then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Moody’s or other specified rating agency or agencies or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its “corporate credit rating” by S&P.

“Credit Rating Event” shall have the meaning attributed to it in Paragraph 6(a)(iii).

“Current Mark-to-Market Value” of an outstanding Transaction, on any Calculation Date, means the amount, as calculated in good faith and in a commercially reasonable manner, which a Party to the Agreement would pay to (a negative Current Mark-to-Market Value) or receive from (a positive Current Mark-to-Market Value) the other Party as the Settlement Amount (calculated at the mid-point between the bid price and the offer price) for such Transaction.

“Custodian” shall have the meaning attributed to it in Paragraph 6(a)(I).

“Downgraded Party” shall have the meaning attributed to it in Paragraph 6(a)(I).

“Eligible Collateral” means, with respect to a Party, the Performance Assurance specified for such Party on the Paragraph 10 Cover Sheet.

“Exposure” of one Party (“Party X”) to the other Party (“Party Y”) for each Transaction means (without duplication) as of any Calculation Date the sum of the following:

(a) the aggregate of all amounts in respect of such Transaction that are owed or otherwise accrued and payable (regardless of whether such amounts have been or could be invoiced) to Party X and that remain unpaid as of such Calculation Date minus the aggregate of all amounts in respect of such Transaction that are owed or otherwise accrued and payable (regardless of whether such amounts have been or could be invoiced) to Party Y and that remain unpaid as of such Calculation Date; plus

(b) the Current Mark-to-Market Value of such Transaction to Party X.

“Exposure Amount” shall have the meaning set forth in Paragraph 3(a).

“Independent Amount” means, with respect to a Party, the amount, if any, set forth in the Paragraph 10 Cover Sheet for such Party (which amount, if designated, shall either be a Fixed Independent Amount, a Full Floating Independent Amount or a Partial Floating Independent Amount, in each case, as designated on the Paragraph 10 Cover Sheet), or if no amount is specified, zero, or with respect to either Party, an additional or reduced amount agreed to as such for that Party in respect of a Transaction.

“Interest Amount” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day; multiplied by (b) the Interest Rate for that day, divided by (c) 360.

“Interest Period” means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Local Business Day on which Cash was Transferred to such Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

“Interest Rate” means, in respect of a Party holding Cash, the rate specified for such Party in the Paragraph 10 Cover Sheet.

“Letter of Credit” means an irrevocable, transferable, standby letter of credit, issued by a major U.S. commercial bank or the U.S. branch office of a foreign bank with, in either case, a Credit Rating of at least (a) “A-” by S&P and “A3” by Moody’s, if such entity is rated by both S&P and Moody’s or (b) “A-” by S&P or “A3” by Moody’s, if such entity is rated by either S&P or Moody’s but not both, substantially in the form set forth in Schedule 1 attached hereto, with such changes to the terms in that form as the issuing bank may require and as may be acceptable to the beneficiary thereof.

“Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events: (a) the issuer of such Letter of Credit shall fail to maintain a Credit Rating of at least (i) “A-” by S&P or “A3” by Moody’s, if such issuer is rated by both S&P and Moody’s, (ii) “A-” by S&P, if such issuer is rated only by S&P, or (iii) “A3” by Moody’s, if such issuer is rated only by Moody’s; (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit; (c) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; (d) such Letter of Credit shall expire or terminate, or shall fail or cease to be in full force and effect at any time during the term of the Agreement, in any such case without replacement; or (e) the issuer of such Letter of Credit shall become Bankrupt; provided, however, that no Letter of Credit Default shall occur or be

continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Collateral Annex.

“Local Business Day” means, a day on which commercial banks are open for business (a) in relation to any payment, in the place where the relevant account is located and (b) in relation to any notice or other communication, in the city specified in the address for notice provided by the recipient.

“Minimum Transfer Amount” means, with respect to a Party, the amount, if any, set forth in the Paragraph 10 Cover Sheet for such Party.

“Net Exposure” shall have the meaning attributed to it in Paragraph 3(a).

“Notification Time” means 11:00, New York time, on any Calculation Date or any different time specified in the Paragraph 10 Cover Sheet.

“Obligations” shall have the meaning attributed to it in Paragraph 2.

“Performance Assurance” means all Eligible Collateral, all other property acceptable to the Party to which it is Transferred, and all proceeds thereof, that has been Transferred to or received by a Party hereunder and not subsequently Transferred to the other Party pursuant to Paragraph 5 or otherwise received by the other Party. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(a)(iv) and any Cash received and held by a Party after drawing on any Letter of Credit will constitute Performance Assurance in the form of Cash, until all or any portion of such Cash is applied against Obligations owing to such Party pursuant to the provisions of this Collateral Annex. Any guaranty agreement executed by a Guarantor of a Party shall not constitute Performance Assurance hereunder.

“Pledging Party” shall have the meaning attributed to it in Paragraph 3(b).

“Qualified Institution” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with (I) a Credit Rating of at least (a) “A-” by S&P and “A3” by Moody’s, if such entity is rated by both S&P and Moody’s or (b) “A-” by S&P or “A3” by Moody’s, if such entity is rated by either S&P or Moody’s but not both, and (ii) having a capital and surplus of at least \$1,000,000,000.

“Reference Market-maker” means a leading dealer in the relevant market selected by a Party determining its Exposure in good faith from among dealers of the highest credit standing which satisfy all the criteria that such Party applies generally at the time in deciding whether to offer or to make an extension of credit.

“Rounding Amount” means, with respect to a Party, the amount, if any, set forth in the Paragraph 10 Cover Sheet for such Party.

“Secured Party” shall have the meaning attributed to it in Paragraph 3(b).

“Transfer” means, with respect to any Performance Assurance or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

(a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by the recipient;

(b) In the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to the recipient;
and

(c) in the case of any other type of Performance Assurance, delivery thereof as specified by the recipient.

“Valuation Percentage” means, with respect to any Performance Assurance designated as Eligible Collateral on the Paragraph 10 Cover Sheet, the Valuation Percentage specified for such Performance Assurance on the Paragraph 10 Cover Sheet.

Paragraph 2. Encumbrance; Grant of Security Interest.

As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of all covenants and obligations to be performed by it pursuant to this Collateral Annex, the Agreement, all outstanding Transactions and any other documents, instruments or agreements executed in connection therewith (collectively, the "Obligations"), each Party hereby pledges, assigns, conveys and transfers to the other Party, and hereby grants to the other Party a present and continuing security interest in and to, and a general first lien upon and right of set off against, all Performance Assurance which has been or may in the future be Transferred to, or received by, the other Party and/or its Custodian, and all dividends, interest, and other proceeds from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the foregoing and each Party agrees to take such action as the other Party reasonably requests in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

Paragraph 3. Calculations of Collateral Requirement.

(a) On any Calculation Date, the "Exposure Amount" for each Party shall be calculated for all Transactions for which there are any Obligations remaining unpaid or unperformed, by calculating each Party's Exposure to the other Party in respect of each such Transaction and determining the net aggregate sum of all Exposures for all Transactions for each Party. The Party having the greater Exposure Amount at any time (the "Secured Party") shall be deemed to have a "Net Exposure" to the other Party equal to the Secured Party's Exposure Amount.

(b) The "Collateral Requirement" for a Party (the "Pledging Party") means the Secured Party's Net Exposure minus the sum of:

(1) the Pledging Party's Collateral Threshold; plus

(2) the amount of Cash previously Transferred to the Secured Party, the amount of Cash held by the Secured Party as Performance Assurance as a result of drawing under any Letter of Credit, and any Interest Amount that has not yet been Transferred to the Pledging Party; plus

(3) the Collateral Value of each Letter of Credit and any other form of Performance Assurance (other than Cash) maintained by the Pledging Party for the benefit of the Secured Party; provided, however, that, the Collateral Requirement of a Party will be deemed to be zero (0) whenever the calculation of such Party's Collateral Requirement yields a number less than zero (0).

Paragraph 4. Delivery of Performance Assurance.

On any Calculation Date on which (a) no Event of Default or Potential Event of Default has occurred and is continuing with respect to the Secured Party, (b) no Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party for which there exist any unsatisfied payment Obligations, and (c) the Pledging Party's Collateral Requirement equals or exceeds its Minimum Transfer Amount, then the Secured Party may demand that the Pledging Party Transfer to the Secured Party, and the Pledging Party shall, after receiving such notice from the Secured Party, Transfer, or cause to be Transferred to the Secured Party, Performance Assurance for the benefit of the Secured Party, having a Collateral Value at least equal to the Pledging Party's Collateral Requirement. The amount of Performance Assurance required to be Transferred hereunder shall be rounded up to the nearest integral multiple of the Rounding Amount. Unless otherwise agreed in writing by the Parties, (i) Performance Assurance demanded of a Pledging Party on or before the Notification Time on a Local Business Day shall be provided by the close of business on the next Local Business Day and (ii) Performance Assurance demanded of a Pledging Party after the Notification Time on a Local Business Day shall be provided by the close of business on the second Local Business Day thereafter. Any Letter of Credit or other type of Performance Assurance (other than Cash) shall be Transferred to such address as the Secured Party shall specify and any such demand made by the Secured Party pursuant to this Paragraph 4 shall specify account information for the account to which Performance Assurance in the form of Cash shall be Transferred.

Paragraph 5. Reduction and Substitution of Performance Assurance.

(a) On any Local Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to Cash), a Pledging Party may request a reduction in the amount of Performance Assurance previously provided by the Pledging Party for the benefit of the Secured Party, provided that, after giving effect to the requested reduction in Performance Assurance, (i) the Pledging Party shall in fact have a Collateral Requirement of zero; (ii) no Event of Default or Potential Event of Default with respect to the Pledging Party shall have occurred and be continuing; and (iii) no Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Pledging Party for which there exist any unsatisfied payment Obligations. A permitted reduction in Performance Assurance may be effected by the Transfer of Cash to the Pledging Party or the reduction of the amount of an outstanding Letter of Credit previously issued for the benefit of the Secured Party. The amount of Performance Assurance required to be reduced hereunder shall be rounded down to the nearest integral multiple of the Rounding Amount. The Pledging Party shall have the right to specify the means of effecting the reduction in Performance Assurance. In all cases, the cost and expense of reducing Performance Assurance (including, but not limited to, the reasonable costs, expenses, and attorneys' fees of the Secured Party) shall be borne by the Pledging Party. Unless otherwise agreed in writing by the Parties, (i) if the Pledging Party's reduction demand is made on or before the Notification Time on a Business Day, then the Secured Party shall have one (1) Local Business Day to effect a permitted reduction in Performance Assurance and (ii) if the Pledging Party's reduction demand is made after the Notification Time on a Local Business Day, then the Secured Party shall have two (2) Local Business Days to effect a permitted reduction in Performance Assurance, in each case, if such reduction is to be effected by the return of Cash to the Pledging Party. If a permitted reduction in Performance Assurance is to be effected by a reduction in the amount of an outstanding Letter of Credit previously issued for the benefit of the Secured Party, the Secured Party shall promptly take such action as is reasonably necessary to effectuate such reduction.

(b) Except when (i) an Event of Default or Potential Event of Default with respect to the Pledging Party shall have occurred and be continuing or (ii) an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Pledging Party for which there exist any unsatisfied payment Obligations, the Pledging Party may substitute Performance Assurance for other existing Performance Assurance of equal Collateral Value upon one (1) Local Business Day's written notice (provided such notice is made on or before the Notification Time, otherwise the notification period shall be two (2) Local Business Days) to the Secured Party; provided, however, that if such substitute Performance Assurance is of a type not otherwise approved by this Collateral Annex, then the Secured Party must consent to such substitution. Upon the Transfer to the Secured Party and/or its Custodian of the substitute Performance Assurance, the Secured Party and/or its Custodian shall Transfer the relevant replaced Performance Assurance to the Pledging Party within two (2) Local Business Days. Notwithstanding anything herein to the contrary, no such substitution shall be permitted unless (i) the substitute Performance Assurance is Transferred simultaneously or has been Transferred to the Secured Party and/or its Custodian prior to the release of the Performance Assurance to be returned to the Pledging Party and the security interest in, and general first lien upon, such substituted Performance Assurance granted pursuant hereto in favor of the Secured Party shall have been perfected as required by applicable law and shall constitute a first priority perfected security interest therein and general first lien thereon, and (ii) after giving effect to such substitution, the Collateral Value of such substitute Performance Assurance shall equal the greater of the Pledging Party's Collateral Requirement or the Pledging Party's Minimum Transfer Amount. Each substitution of Performance Assurance shall constitute a representation and warranty by the Pledging Party that the substituted Performance Assurance shall be subject to and governed by the terms and conditions of this Collateral Annex, including without limitation the security interest in, general first lien on and right of offset against, such substituted Performance Assurance granted pursuant hereto in favor of the Secured Party pursuant to Paragraph 2.

(c) The Transfer of any Performance Assurance by the Secured Party and/or its Custodian in accordance with this Paragraph 5 shall be deemed a release by the Secured Party of its security interest, general first lien and right of offset granted pursuant to Paragraph 2 hereof only with respect to such returned Performance Assurance. In connection with each Transfer of any Performance Assurance pursuant to this Paragraph 5, the Pledging Party will, upon request of the Secured Party, execute a receipt showing the Performance Assurance Transferred to it.

Paragraph 6. Administration of Performance Assurance.

(a) Cash. Performance Assurance provided in the form of Cash to a Party that is the Secured Party shall be subject to the following provisions.

(i) If such Party is entitled to hold Cash, then it will be entitled to hold Cash or to appoint an agent which is a Qualified Institution (a "Custodian") to hold Cash for it provided that the conditions for holding Cash that are set forth on the Paragraph 10 Cover Sheet for such Party are satisfied. If such Party is not entitled to hold Cash,

then the provisions of Paragraph 6(a)(ii) shall not apply with respect to such Party and Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B). Upon notice by the Secured Party to the Pledging Party of the appointment of a Custodian, the Pledging Party's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by the Secured Party for which the Custodian is acting. If the Secured Party or its Custodian fails to satisfy any conditions for holding Cash as set forth above or in the Paragraph 10 Cover Sheet or if the Secured Party is not entitled to hold Cash at any time, then the Secured Party will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Paragraph 6(a)(ii)(B), with the Party not eligible to hold Cash being considered the "Downgraded Party" (as defined below). Except as set forth in Paragraph 6(c), the Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(ii) Use of Cash. Notwithstanding the provisions of applicable law, if no Event of Default has occurred and is continuing with respect to the Secured Party and no Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party for which there exist any unsatisfied payment Obligations, then the Secured Party shall have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise use in its business any Cash that it holds as Performance Assurance hereunder, free from any claim or right of any nature whatsoever of the Pledging Party, including any equity or right of redemption by the Pledging Party; provided, however, that if a Party or its Custodian is not eligible to hold Cash pursuant to Paragraph 6(a) (such Party shall be the "Downgraded Party" and the event that caused it or its Custodian to be ineligible to hold Cash shall be a "Credit Rating Event") then:

(A) the provisions of this Paragraph 6(a)(ii) will not apply with respect to the Downgraded Party; and

(B) the Downgraded Party shall be required to Transfer (or cause to be Transferred) not later than the close of business on the next Local Business Day following such Credit Rating Event all Cash in its possession or held on its behalf to a Qualified Institution approved by the non-Downgraded Party (which approval shall not be unreasonably withheld), to a segregated, safekeeping or custody account (the "Collateral Account") within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for the Downgraded Party. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this Collateral Annex and for the security interest of the Downgraded Party and execute such account control agreements as are necessary or applicable to perfect the security interest of the Non-Downgraded Party therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of the non-Downgraded Party. The Qualified Institution holding the Cash will invest and reinvest or procure the investment and reinvestment of the Cash in accordance with the written instructions of the Pledging Party, subject to the approval of such instructions by the Downgraded Party (which approval shall not be unreasonably withheld), provided that the Qualified Institution shall not be required to so invest or reinvest or procure such investment or reinvestment if an Event of Default or Potential Event of Default with respect to the Pledging Party shall have occurred and be continuing. The Downgraded Party shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with the Pledging Party's instructions.

(iii) Interest Payments on Cash. So long as no Event of Default or Potential Event of Default with respect to the Pledging Party has occurred and is continuing, and no Early Termination Date for which any unsatisfied payment Obligations of the Pledging Party exist has occurred or been designated as the result of an Event of Default with respect to the Pledging Party, and to the extent that an obligation to Transfer Performance Assurance would not be created or increased by the Transfer, in the event that the Secured Party or its Custodian is holding Cash, the Secured Party will Transfer (or caused to be Transferred) to the Pledging Party, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which may be retained by the Secured Party or its Custodian), the Interest Amount. The Pledging Party shall invoice the Secured Party monthly setting forth the calculation of the Interest Amount due, and the Secured Party shall make payment thereof by the later of (A) the third Local Business Day of the first month after the last month to which such invoice relates or (B) the third Local Business Day after the day on which such invoice is received. On or after the occurrence of a Potential Event of Default or an Event of Default with respect to the Pledging Party or an Early Termination Date as a result of an Event of Default

with respect to the Pledging Party, the Secured Party or its Custodian shall retain any such Interest Amount as additional Performance Assurance hereunder until the obligations of the Pledging Party under the Agreement have been satisfied in the case of an Early Termination Date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) Letters of Credit. Performance Assurance provided in the form of a Letter of Credit shall be subject to the following provisions.

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be provided in accordance with Paragraph 4, and each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit, (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit or other Eligible Collateral, in each case at least twenty (20) Local Business Days prior to the expiration of the outstanding Letter of Credit, and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Credit that is issued by a bank acceptable to the Secured Party or other Eligible Collateral, in each case within one (1) Local Business Day after such refusal, provided that, as a result of the Pledging Party's failure to perform in accordance with (A), (B), or (C) above, the Pledging Party's Collateral Requirement would be greater than zero.

(ii) As one method of providing Performance Assurance, the Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(iii) Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the first Local Business Day after the occurrence thereof (or the fifth (5th) Local Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iv) (A) Upon or at any time after the occurrence and continuation of an Event of Default with respect to the Pledging Party, or (B) if an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Pledging Party for which there exist any unsatisfied payment Obligations, then the Secured Party may draw on the entire, undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit of one or more certificates specifying that such Event of Default or Early Termination Date has occurred and is continuing. Cash proceeds received from drawing upon the Letter of Credit shall be deemed Performance Assurance as security for the Pledging Party's obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in Paragraph 7 with respect to such cash proceeds. Notwithstanding the Secured Party's receipt of Cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to Transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

(v) In all cases, the costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

(c) Care of Performance Assurance. Except as otherwise provided in Paragraph 6(a)(iii) and beyond the exercise of reasonable care in the custody thereof, the Secured Party shall have no duty as to any Performance Assurance in its possession or control or in the possession or control of any Custodian or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Performance Assurance in its possession, and/or in the possession of its agent for safekeeping, if the Performance Assurance is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Performance Assurance, or for any diminution in the value thereof, by reason of the act or omission of any Custodian selected by the Secured Party in good faith except to the extent such loss or damage is the result of such agent's willful misconduct or negligence. Unless held by a Custodian, the Secured Party shall at all times retain possession or control of any Performance Assurance Transferred to it. The holding of Performance Assurance by a Custodian for the benefit of the Secured Party shall be deemed to be the holding and possession of such Performance Assurance by the Secured Party for the purpose of perfecting the security interest in the Performance Assurance. Except as

otherwise provided in Paragraph 6(a)(ii), nothing in this Collateral Annex shall be construed as requiring the Secured Party to select a Custodian for the keeping of Performance Assurance for its benefit.

Paragraph 7. Exercise of Rights Against Performance Assurance.

(a) In the event that (i) an Event of Default with respect to the Pledging Party has occurred and is continuing or (ii) an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Pledging Party, the Secured Party may exercise any one or more of the rights and remedies provided under the Agreement, in this Collateral Annex or as otherwise available under applicable law. Without limiting the foregoing, if at any time (i) an Event of Default with respect to the Pledging Party has occurred and is continuing, or (ii) an Early Termination Date occurs or is deemed to occur as a result of an Event of Default with respect to the Pledging Party, then the Secured Party may, in its sole discretion, exercise any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Uniform Commercial Code and any other applicable jurisdiction and other applicable laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against and in satisfaction of any amount payable by the Pledging Party in respect of any of its Obligations;

(iii) the right to draw on any outstanding Letter of Credit issued for its benefit; and/or

(iv) the right to liquidate any Performance Assurance held by or for the benefit of the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required by applicable law, free from any claim or right of any nature whatsoever of the Pledging Party, including any right of equity or redemption by the Pledging Party (with the Secured Party having the right to purchase any or all of the Performance Assurance to be sold) and to apply the proceeds from the liquidation of such Performance Assurance to and in satisfaction of any amount payable by the Pledging Party in respect of any of its Obligations in such order as the Secured Party may elect.

(b) The Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of Paragraph 7(a).

(c) Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(d) In addition to the provisions of Paragraph 7(a), if at any time (i) an Event of Default with respect to the Secured Party has occurred and is continuing or (ii) an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party, then:

(1) the Secured Party will be obligated immediately to Transfer all Performance Assurance (including any Letter of Credit) and the Interest Amount, if any, to the Pledging Party;

(2) the Pledging Party may do any one or more of the following: (x) exercise any of the rights and remedies of a pledgor with respect to the Performance Assurance, including any such rights and remedies under law then in effect; (y) to the extent that the Performance Assurance or the Interest Amount is not Transferred to the Pledging Party as required in (1) above, setoff amounts payable to the Secured Party against the Performance Assurance (other than Letters of Credit) held by the Secured Party or to the extent its rights to setoff are not exercised, withhold payment of any remaining amounts payable by the Pledging Party, up to the value of any remaining Performance Assurance held by the Secured Party, until the Performance Assurance is Transferred to the Pledging Party; and (z) exercise rights and remedies available to the Pledging Party under the terms of any Letter of Credit; and

- (3) the Secured Party shall be prohibited from drawing on any Letter of Credit that has been posted by the Pledging Party for its benefit.

Paragraph 8. Disputed Calculations

(a) If the Pledging Party disputes the amount of Performance Assurance requested by the Secured Party and such dispute relates to the amount of the Net Exposure claimed by the Secured Party, then the Pledging Party shall (i) notify the Secured Party of the existence and nature of the dispute not later than the Notification Time on the first Local Business Day following the date that the demand for Performance Assurance is made by the Secured Party pursuant to Paragraph 4, and (ii) provide Performance Assurance to or for the benefit of the Secured Party in an amount equal to the Pledging Party's own estimate, made in good faith and in a commercially reasonable manner, of the Pledging Party's Collateral Requirement in accordance with Paragraph 4. In all such cases, the Parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the Parties have not been able to resolve their dispute on or before the second Business Day following the date that the demand is made by the Secured Party, then the Secured Party's Net Exposure shall be recalculated by each Party requesting quotations from one (1) Reference Market-Maker within two (2) Business Days (taking the arithmetic average of those obtained to obtain the average Current Mark-to-Market Value; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used) for the purpose of recalculating the Current Mark-to-Market Value of each Transaction in respect of which the Parties disagree as to the Current Mark-to-Market Value thereof, and the Secured Party shall inform the Pledging Party of the results of such recalculation (in reasonable detail). Performance Assurance shall thereupon be provided, returned, or reduced, if necessary, on the next Local Business Day in accordance with the results of such recalculation.

(b) If the Secured Party disputes the amount of Performance Assurance to be reduced by the Secured Party and such dispute relates to the amount of the Net Exposure claimed by the Secured Party, then the Secured Party shall (i) notify the Pledging Party of the existence and nature of the dispute not later than the Notification Time on the first Local Business Day following the date that the demand to reduce Performance Assurance is made by the Pledging Party pursuant to Paragraph 5(a), and (ii) effect the reduction of Performance Assurance to or for the benefit of the Pledging Party in an amount equal to the Secured Party's own estimate, made in good faith and in a commercially reasonable manner, of the Pledging Party's Collateral Requirement in accordance with Paragraph 5(a). In all such cases, the Parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the Parties have not been able to resolve their dispute on or before the second Local Business Day following the date that the demand is made by the Pledging Party, then the Secured Party's Net Exposure shall be recalculated by each Party requesting quotations from one (1) Reference Market-Maker within two (2) Business Days (taking the arithmetic average of those obtained to obtain the average Current Mark-to-Market Value; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used) for the purpose of recalculating the Current Mark-to-Market Value of each Transaction in respect of which the Parties disagree as to the Current Mark-to-Market Value thereof, and the Secured Party shall inform the Pledging Party of the results of such recalculation (in reasonable detail). Performance Assurance shall thereupon be provided, returned, or reduced, if necessary, on the next Local Business Day in accordance with the results of such recalculation.

Paragraph 9. Covenants; Representations and Warranties; Miscellaneous.

(a) The Pledging Party will execute and deliver to the Secured Party (and to the extent permitted by applicable law, the Pledging Party hereby authorizes the Secured Party to execute and deliver, in the name of the Pledging Party or otherwise) such financing statements, assignments and other documents and do such other things relating to the Performance Assurance and the security interest granted under this Collateral Annex, including any action the Secured Party may deem necessary or appropriate to perfect or maintain perfection of its security interest in the Performance Assurance, and the Pledging Party shall pay all costs relating to its Transfer of Performance Assurance and the maintenance and perfection of the security interest therein.

(b) On each day on which Performance Assurance is held by the Secured Party and/or its Custodian under the Agreement and this Collateral Annex, the Pledging Party hereby represents and warrants that:

- (i) the Pledging Party has good title to and is the sole owner of such Performance Assurance, and the execution, delivery and performance of the covenants and agreements of this Collateral Annex, do not result in the creation or imposition of any lien or security interest upon any of its assets or properties, including, without limitation,

the Performance Assurance, other than the security interests and liens created under the Agreement and this Collateral Annex;

(ii) upon the Transfer of Performance Assurance by the Pledging Party to the Secured Party and/or its Custodian, the Secured Party shall have a valid and perfected first priority continuing security interest therein, free of any liens, claims or encumbrances, except those liens, security interests, claims or encumbrances arising by operation of law that are given priority over a perfected security interest; and

(iii) it is not and will not become a party to or otherwise be bound by any agreement, other than the Agreement and this Collateral Annex, which restricts in any manner the rights of any present or future holder of any of the Performance Assurance with respect hereto.

(c) This Collateral Annex has been and is made solely for the benefit of the Parties and their permitted successors and assigns, and no other person, partnership, association, corporation or other entity shall acquire or have any right under or by virtue of this Collateral Annex.

(d) The Pledging Party shall pay on request and indemnify the Secured Party against any taxes (including without limitation, any applicable transfer taxes and stamp, registration or other documentary taxes), assessments, or charges that may become payable by reason of the security interests, general first lien and right of offset granted under this Collateral Annex or the execution, delivery, performance or enforcement of the Agreement and this Collateral Annex, as well as any penalties with respect thereto (including, without limitation costs and reasonable fees and disbursements of counsel). The Parties each agree to pay the other Party for all reasonable expenses (including without limitation, court costs and reasonable fees and disbursements of counsel) incurred by the other in connection with the enforcement of, or suing for or collecting any amounts payable by it under, the Agreement and this Collateral Annex.

(e) No failure or delay by either Party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.

(f) The headings in this Collateral Annex are for convenience of reference only, and shall not affect the meaning or construction of any provision thereof.

PARAGRAPH 10
to the
COLLATERAL ANNEX
to the
EEl MASTER POWER PURCHASE AND SALE AGREEMENT

CREDIT ELECTIONS COVER SHEET

Between
Morgan Stanley Capital Group Inc. (“MSCGI” or “Party A”)
and
Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”)

Paragraph 10. Elections and Variables

I. Collateral Threshold.

A. Party A Collateral Threshold.

- \$ _____ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party A shall be zero upon the occurrence and during the continuance of an Event of Default or a Potential Event of Default with respect to Party A; and provided further that, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

- (a) The amount (the “Threshold Amount”) set forth below under the heading “Party A Collateral Threshold” opposite the Credit Rating for [Party A][Party A’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party A][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party A has occurred and is continuing; provided, however, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

Party A

Collateral Threshold

Credit Rating

\$ _____	_____ (or above)
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	Below _____

- The lesser of: (a) the amount (the “Threshold Amount”) set forth below under the heading “Party A Collateral Threshold” opposite the Credit Rating for Party A’s Guarantor on the relevant date of determination, and if Party A’s Guarantor’s Credit Ratings shall not be equivalent, the lower Credit Rating shall govern, and if Party A’s Guarantor shall have only one Credit Rating, such Credit

Rating shall govern; or (b) zero if on the relevant date of determination its Guarantor does not have a Credit Rating from either of the rating agency(ies) specified below or an Event of Default or a Potential Event of Default with respect to Party A has occurred and is continuing; provided, however, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

Party A

<u>Collateral Threshold</u>	<u>S&P Credit Rating</u>	<u>Moody's Credit Rating</u>
\$	AA- (or above)	Aa3 (or above)
\$	A+, A, A-	A1, A2, A3
\$	BBB+	Baa1
\$	BBB	Baa2
\$	BBB-	Baa3
\$ 0 (zero)	Below BBB-	Below Baa3

- The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party B's Collateral Threshold be greater than \$ _____.
- Other – The amount under the heading of “Party A Collateral Threshold” (the “Threshold Amount”) opposite whatever is the then Relevant Rating, provided that:
- (a) If one MS Reference Entity ceases to be rated by the Rating Agencies, the lower of the MS Credit Ratings assigned to the other MS Reference Entity by the Rating Agencies shall be the Relevant Rating;
 - (b) If a Rating Agency ceases to assign a Credit Rating to an MS Reference Entity, the MS Credit Rating assigned to such MS Reference Entity by the other Rating Agency shall be the Credit Rating used for such entity in determining the Relevant Rating;
 - (c) If a Rating Agency ceases to assign MS Credit Ratings to both MS Reference Entities, the higher of the MS Credit Ratings assigned to the MS Reference Entities by the other Rating Agency shall be the Relevant Rating; and
 - (d) if an Event of Default or a Potential Event of Default with respect to Party A has occurred and is continuing, the Threshold Amount with respect to Party A shall be zero; provided, however, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

As used herein:

“MS Credit Ratings” means the relevant credit ratings assigned to each MS Reference Entity by Moody’s and S&P, and “MS Credit Rating” means any one of them.

“*MS Reference Entities*” means Party A and Morgan Stanley, and “*MS Reference Entity*” means either one of them, as the context may require.

“*Rating Agencies*” means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (“*S&P*”) and Moody’s Investors Service, Inc. (“*Moody’s*”), and “*Rating Agency*” means either one of them.

“*Relevant Rating*” means the higher of (1) the lower of the ratings assigned to the long term, senior, unsecured debt of Party A’s Guarantor by S&P and Moody’s and (2) the lower of the long-term issuer ratings assigned to Party A by S&P and Moody’s.

Party A			
<u>Collateral Threshold</u>	<u>S&P Credit Rating</u>		<u>Moody’s Credit Rating</u>
[REDACTED]	[REDACTED]		[REDACTED]

B. Party B Collateral Threshold.

- \$ _____ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party B shall be zero upon the occurrence and during the continuance of an Event of Default or a Potential Event of Default with respect to Party B; and provided further that, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

- (a) The amount (the “Threshold Amount”) set forth below under the heading “Party B Collateral Threshold” opposite the Credit Rating for [Party B][Party B’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party B][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party B has occurred and is continuing; provided, however, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand:

Party B	
<u>Collateral Threshold</u>	<u>Credit Rating</u>
\$ _____	_____ (or above)
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	Below _____

- The lesser of: (a) the amount (the “Threshold Amount”) set forth below under the heading “Party B Collateral Threshold” opposite the Credit Rating for Party B on the relevant date of determination,

and if Party B's Credit Ratings shall not be equivalent, the lower Credit Rating shall govern, and if Party B shall have only one Credit Rating, such Credit Rating shall govern; or (b) zero if on the relevant date of determination Party B does not have a Credit Rating from either of the rating agency(ies) specified below or an Event of Default or a Potential Event of Default with respect to Party B has occurred and is continuing; provided, however, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

Party B

Collateral Threshold

S&P Credit Rating

Moody's Credit Rating

[REDACTED]

[REDACTED]

[REDACTED]

- The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party B's Collateral Threshold be greater than \$ _____.
- Other – see attached threshold terms

II. Eligible Collateral and Valuation Percentage.

The following items will qualify as "Eligible Collateral" for the Party specified:

	<u>Party A</u>	<u>Party B</u>	<u>Valuation Percentage</u>
(A) Cash	[X]	[X]	100%
(B) Letters of Credit	[X]	[X]	100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) fifteen (15) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be zero (0).
(C) Other	[]	[]	_____ %

III. Independent Amount.

A. Party A Independent Amount.

- Party A shall have a Fixed Independent Amount of \$0 (zero). If the Fixed Independent Amount option is selected for Party A, then Party A (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party B (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Fixed IA Performance Assurance”). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party A’s Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to, Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.
- Party A shall have a Full Floating Independent Amount of \$_____. If the Full Floating Independent Amount option is selected for Party A, then for purposes of calculating Party A’s Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party A shall be added by Party B to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.
- Party A shall have a Partial Floating Independent Amount of \$_____. If the Partial Floating Independent Amount option is selected for Party A, then Party A will be required to Transfer or cause to be Transferred to Party B Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Partial Floating IA Performance Assurance”) if at any time Party A otherwise has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced so long as Party A has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party’s Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.
- Not Applicable

B. Party B Independent Amount.

- Party B shall have a Fixed Independent Amount of \$0 (zero). If the Fixed Independent Amount Option is selected for Party B, then Party B (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party A (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Fixed IA Performance Assurance”). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party B’s Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.
- Party B shall have a Full Floating Independent Amount of \$_____. If the Full Floating Independent Amount Option is selected for Party B then for purposes of calculating Party B’s Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party B shall be added by Party A to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.

- Party B shall have a Partial Floating Independent Amount of \$_____. If the Partial Floating Independent Amount option is selected for Party B, then Party B will be required to Transfer or cause to be Transferred to Party A Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Partial Floating IA Performance Assurance”) if at any time Party B otherwise has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced for so long as Party B has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party’s Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.
- Not Applicable

IV. Minimum Transfer Amount.

- A. **Party A Minimum Transfer Amount:** [REDACTED]
- B. **Party B Minimum Transfer Amount:** [REDACTED]

provided that, in each case, (i) if the Party is a Defaulting Party at the time, its Minimum Transfer Amount will be zero, (ii) if a Secured Party is holding an amount of Performance Assurance at the time, the Secured Party’s Collateral Requirement is, or is deemed to be, zero at the time, and, but for its Minimum Transfer Amount, the Secured Party would be required to make a Transfer under Paragraph 4, the Minimum Transfer Amount for the Secured Party will be zero, and (iii) if no Transactions are outstanding, then the Minimum Transfer Amount for both Parties will be zero.

V. Rounding Amount.

- A. **Party A Rounding Amount:** [REDACTED]
- B. **Party B Rounding Amount:** [REDACTED]

VI. Administration of Cash Collateral.

A. Party A Eligibility to Hold Cash.

- Party A shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party A shall pay to Party B in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party B.
- Party A or Party A’s Custodian shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not subject to an Event of Default or Potential Event of Default; and (2) Party A’s Custodian, if any, is a Qualified Institution; and (3) Cash shall be held only in any jurisdiction within the United States. To the extent Party A is entitled to hold Cash, the Interest Rate payable to Party B on Cash shall be as selected below:

Party A Interest Rate.

[REDACTED]

Other - _____

B. Party B Eligibility to Hold Cash.

- Party B shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party B shall pay to Party A in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party A.
- Party B or Party B's Custodian shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not subject to an Event of Default or Potential Event of Default; (2) Party B's Custodian, if any, is a Qualified Institution; and (3) Cash shall be held only in any jurisdiction within the United States. To the extent Party B is entitled to hold Cash, the Interest Rate payable to Party A on Cash shall be as selected below:

Party B Interest Rate.

[REDACTED]

Other - _____

VII. Notification Time.

- Other - 10:00 a.m. Pacific Prevailing Time on a Local Business Day

VIII. General.

Amendment to Introductory Paragraph:

- (i) The first paragraph of the introduction shall be amended to read as follows:

“This Collateral Annex, together with the Paragraph 10 Cover Sheet, (the “Collateral Annex”) supplements, forms a part of, and is subject to the EEI Master Power Purchase and Sale Agreement dated as of _____ between Morgan Stanley Capital Group, Inc. (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”) (as amended and supplemented from time to time, the “Agreement”). Capitalized terms used in this Collateral Annex but not defined herein shall have the meanings given to such terms in the Agreement.”

Amendments to Definitions:

- (i) The definition of “Credit Rating” is amended in its entirety as follows:

““Credit Rating” as it pertains to Party B means, on any date of determination, the lowest respective ratings then assigned to such entity’s issuer rating by Moody's or issuer credit rating by S&P”.

- (ii) “Credit Rating Event” shall be amended by replacing “6(a)(iii)” with “6(a)(ii)”.

- (iii) “Downgraded Party” shall be amended by replacing “6(a)(i)” with “6(a)(ii)”.
- (iv) The definition of “Letter of Credit” shall be deleted from both the Master Agreement, as amended by the Cover Sheet thereto, and the Collateral Annex and replaced with the following:
- “Letter(s) of Credit” shall mean an irrevocable, standby Letter of Credit, issued by an issuer or confirming entity, as applicable, that is a Qualified Institution substantially in the form attached hereto as Schedule 1 to this Paragraph 10 to the Collateral Annex or in such other form as may be reasonably acceptable to the beneficiary thereof, in each case, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof.”
- (v) “Letter of Credit Default” shall be amended as follows:
- a. Clause (a) shall be deleted and replaced with the following phrase: “(a) the issuer of such Letter of Credit shall fail to be a Qualified Institution”; and
- b. A new clause (f) shall be added after the existing clause (e) and immediately before the phrase “provided, however” as follows:
- “(f) the Pledgor fails to extend or replace such Letter of Credit at least twenty (20) Local Business Days prior to its expiration” ; and
- c. The following is added after the last sentence:
- “Notwithstanding the foregoing, references to the “issuer” in this definition shall mean, for each Letter of Credit that was confirmed by a Qualified Institution, the confirming entity.”
- (vi) “Local Business Day” shall be amended by replacing the word “day” with “Business Day”.
- (vii) “Notification Time” shall be amended by replacing “11:00, New York time” with “10:00 a.m. Pacific Prevailing Time on a Local Business Day.”
- (viii) “Performance Assurance” shall be amended by replacing “6(a)(iv)” with “6(a)(iii)”.
- (ix) “Qualified Institution” shall be amended to read as follows:
- ““Qualified Institution” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, (a) [REDACTED]
- (x) “Reference Market-maker” is amended by adding “which is not an Affiliate of either Party” after the words “leading dealer” in the first line thereof.
- (xi) “Secured Party” shall be amended by replacing “3(b)” with “3(a)”.

Amendments to Paragraph 4:

- (i) The second to last sentence of Paragraph 4, “Delivery of Performance Assurance”, shall be amended to read as follows:

[REDACTED]

[REDACTED]

Amendments to Paragraph 5:

- (i) Paragraph 5(a) shall be amended by inserting “so long as the amount of the requested reduction is equal to or greater than the Minimum Transfer Amount” after “the Pledging Party for the benefit of the Secured Party” in the fourth line thereof.
- (ii) Paragraph 5(a) shall be further amended by deleting “before the Notification Time on a Business Day” and replacing it with “before the Notification Time on a Local Business Day”.

Amendments to Paragraph 6:

- (i) Paragraph 6(a)(ii)(A) shall be amended by inserting “(other than subparagraph (B) below)” after “the provisions of this Paragraph 6(a)(ii)” in the first line thereof.
- (ii) Paragraph 6(a)(ii)(B) shall be amended by deleting “to perfect the security interest of the non-Downgraded Party” and replacing it with “to perfect the security interest of the Pledging Party”.
- (iii) Paragraphs 6(b)(iii) and 6(b)(iv) are deleted and replaced in their entirety as follows:

“(iii) Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the [REDACTED] after the occurrence thereof ([REDACTED] after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iv) Notwithstanding anything herein to the contrary, (A) upon or at any time after the occurrence and during the continuation of an Event of Default with respect to the Pledging Party or (B) if an Early Termination Date has occurred or been designated and there exist any unsatisfied payment Obligations, then the Secured Party may draw on any outstanding Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued) that is equal to all amounts that are due and owing from the Pledging Party but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both). If a Letter of Credit Default exists with respect to any Letter of Credit provided by or on behalf of the Pledging Party, then the Secured Party may draw on the Letter of Credit subject to such Letter of Credit Default in an amount equal to the entire, undrawn portion of such Letter of Credit. Draws on outstanding Letters of Credit shall be made upon submission to the bank issuing such Letter(s) of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Cash proceeds received from drawing upon any Letter of Credit shall be deemed Performance Assurance as security for the Pledging Party’s obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in Paragraph 7 with respect to such cash proceeds. Notwithstanding the Secured Party’s receipt of Cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to Transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.”

Amendments to Paragraph 7:

- (i) Paragraph 7(b) shall be amended by deleting it in its entirety and inserting the words “Intentionally Omitted.”
- (ii) Paragraph 7(d) is amended and restated in its entirety as follows [REDACTED]

added text double underlined (e.g., double underlined) for illustrative purposes only):

(d) In addition to the provisions of Paragraph 7(a), if at any time an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party (other than an Early Termination Date relating to less than all Transactions where the Secured Party has paid in full all of its obligations that are then due under the Agreement), then:

(1) the Secured Party will be obligated immediately to Transfer all Performance Assurance (excluding any Letter of Credit) and the Interest Amount, if any, to the Pledging Party; and

(2) the Pledging Party may do any one or more of the following: (x) exercise any of the rights and remedies of a pledgor with respect to the Performance Assurance (other than any Letter of Credit), including any such rights and remedies under law then in effect; and (y) to the extent that the Performance Assurance (other than any Letter of Credit) or the Interest Amount is not Transferred to the Pledging Party as required in (1) above, setoff amounts payable to the Secured Party against the Performance Assurance (other than Letters of Credit) held by the Secured Party or to the extent its rights to setoff are not exercised, withhold payment of any remaining amounts payable by the Pledging Party, up to the value of any remaining Performance Assurance (other than any Letter of Credit) held by the Secured Party, until the Performance Assurance is Transferred to the Pledging Party

(iii) A new Paragraph 7(e) and a new Paragraph 7(f) are added as follows:

“(e) The Secured Party will transfer to the Pledging Party any proceeds and Performance Assurance remaining after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d) after satisfaction in full of all amounts payable by the Pledging Party with respect to any Obligations; the Pledging Party will in all events remain liable for any amounts unpaid after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d).

(f) When no amounts are or thereafter may become payable by the Pledging Party with respect to any Obligations, the Secured Party will Transfer to the Pledging Party all Performance Assurance and the Interest Amount, if any.”

Amendments to Paragraph 8:

(i) Paragraphs 8(a) and 8(b) are both amended by adding after the third sentence of each paragraph the following sentence: “If the Parties are unable to obtain any quotations for the Secured Party’s Net Exposure, the Parties will appoint a mutually acceptable leading market participant in the relevant market to make such calculation and such expense will be shared equally by the Parties.”

(ii) Paragraph 8 is amended by inserting the following new subparagraph 8(c) at the end thereof:

“(c) Each quotation from a Reference Market-maker will be for an amount, if any, that would be paid to the Party requesting the quotation (expressed as a negative number) or by the Party requesting the quotation (expressed as a positive number) in consideration of an agreement between such Party (taking into account this Collateral Annex and the existence of any Guarantor with respect to the obligations of such Party) and the quoting Reference Market-maker to enter into a transaction that would have the effect of preserving for the Party requesting the quotation the economic equivalent of any payment or delivery (whether the underlying obligation was absolute

or contingent and assuming the satisfaction of each applicable condition precedent) by the Parties in respect of such Transaction or group of Transactions. The costs of retaining Reference Market-makers for the purposes of this Paragraph 8 shall be borne equally by the Secured Party and the Pledging Party. The determination made by such Reference Market-makers shall be binding and conclusive on the Parties absent manifest error.”

Amendments to Paragraph 10:

- (i) Paragraph 10 shall be amended by inserting the following new subparagraph 10(VI)(C) at the end thereof:

“In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Performance Assurance in the form of Cash (all of which may be retained by the Pledging Party and shall not be considered Performance Assurance):

(x) if the Interest Amount for an Interest Period is a positive number, upon request of the Pledging Party, the Secured Party will transfer to the Pledging Party such Interest Amount by the fifth Business Day after the end of such Interest Period, to the extent that a Collateral Requirement as calculated by the Pledging Party would not be created or increased by that Transfer; any Interest Amount or portion thereof not transferred pursuant to this subsection (x) of this Paragraph will constitute Performance Assurance in the form of Cash and will be subject to the security interest granted under Paragraph 2 to the Collateral Annex; and

(y) if the Interest Amount for an Interest Period is a negative number, the Pledging Party will transfer to the Secured Party the AV Negative Interest Amount as calculated by the Secured Party by the fifth Business Day after the end of such Interest Period. If the Performance Assurance is in the form of Cash in the same currency as the AV Negative Interest Amount, any AV Negative Interest Amount or portion thereof not transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred Interest Amount”) will constitute a reduction of Performance Assurance in the form of Cash; provided that if the amount of Performance Assurance in the form of Cash in the same currency as the AV Negative Interest Amount is less than the Untransferred Interest Amount, such reduction shall be only to the extent of the amount of Performance Assurance in the form of Cash in the same currency as the AV Negative Interest Amount, and the Pledging Party shall remain obligated to transfer the remainder of the Untransferred Interest Amount to the Secured Party. Any reduction of Performance Assurance in the form of Cash pursuant to this subsection (y) of this Paragraph shall be deemed to be a Transfer and shall fulfill the Pledging Party’s obligation to transfer the AV Negative Interest Amount or related portion thereof to the Secured Party. For purposes of the foregoing, “AV Negative Interest Amount” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

- (ii) Schedule 1 to the Collateral Annex is deleted in its entirety and replaced with the form of Letter of Credit attached as Schedule 1 to this Paragraph 10 to the Collateral Annex.

With respect to the Collateral Threshold, Independent Amount, Minimum Transfer Amount and Rounding Amount, if no selection is made in this Cover Sheet with respect to a Party, then the applicable amount in each case for such Party shall be zero (0). In addition, with respect to the “Administration of Cash Collateral” section of this Paragraph 10, if no selection is made with respect to a Party, then such Party shall not be entitled to hold Performance Assurance in the form of Cash and such Cash, if any, shall be held in a Qualified Institution pursuant to Paragraph 6(a)(ii)(B) of the Collateral Annex. If a Party is eligible to hold Cash pursuant to a selection in this Paragraph 10 but no Interest Rate is selected, then the Interest Rate for such Party shall be the Federal Funds Effective Rate as defined in Section VI of this Paragraph 10.

IN WITNESS of this agreement the Parties have executed this Collateral Annex on the respective dates set out below with effect from the date set out above.

MORGAN STANLEY CAPITAL GROUP INC.

**SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers
authority**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule 1 to Credit Elections Cover Sheet

IRREVOCABLE STANDBY LETTER OF CREDIT FORMAT

DATE OF ISSUANCE: _____

Morgan Stanley Capital Group Inc.
1585 Broadway
New York, New York 10036

Re: Credit No. _____

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of _____ (the "Applicant"), for the aggregate amount not exceeding _____ United States Dollars (\$ _____), available to you at sight upon demand at our counters at [Location in New York City] on or before the expiration hereof against presentation to us of one or more of the following statements, dated and signed by a representative of the beneficiary:

["Applicant has failed to make (i) a payment, (ii) delivery or (iii) transfer of collateral, in each case pursuant to the [EEI Master Power Purchase and Sale] Agreement, dated as of _____, between beneficiary and Applicant, as the same may be amended (each such failure, an "Owed Amount") and such Owed Amount remains outstanding at the time of drawing hereunder. Wherefore, the undersigned does hereby demand payment of the Owed Amount under the Letter of Credit in the amount of \$[•]."]

["An LC Default (as defined in the [EEI Master Power Purchase and Sale] Agreement dated, as of _____, between beneficiary and Applicant, as the same may be amended, the "Agreement") has occurred and is continuing with respect to the Letter of Credit or the Letter of Credit no longer constitutes an Eligible LC (as defined in the Agreement). Wherefore, the undersigned does hereby demand payment of the entire undrawn amount of the Letter of Credit."]

["The Letter of Credit has fewer than 30 days remaining prior to the date of expiration and beneficiary has not received either (i) a replacement letter of credit in an equal amount and in form and from an issuer acceptable to it or (ii) US dollars in an amount equal to the undrawn amount of the Letter of Credit. Wherefore, the undersigned does hereby demand payment of the entire undrawn amount of the Letter of Credit."]

["An Event of Default or Termination Event (as defined in the [EEI Master Power Purchase and Sale] Agreement, dated as of _____ between beneficiary and Applicant, as the same may be amended) has occurred and is continuing with respect to Applicant. Wherefore, the undersigned does hereby demand payment of the entire undrawn amount of the Letter of Credit."]

This Letter of Credit shall expire at our counters on _____ at 5 pm New York time; ("Expiration Date") provided, it is a condition of this Letter of Credit that it shall be deemed automatically extended without an amendment for a one year period (or, if such period ends on a day that is not a Business Day, until the next Business Day thereafter) beginning on the present Expiration Date hereof and upon each anniversary for such date (or, if such period ends on a day that is not a Business Day, until the next Business Day thereafter), unless at least ninety (90) days prior to any such Expiration Date, we have sent Beneficiary written notice by overnight courier service at the address provided below that we elect not to extend this Letter of Credit, in which case it will expire on its then current Expiration Date.

Partial and multiple drawings are permitted hereunder.

The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid by us under this Letter of Credit.

All costs and banking charges pertaining to this Letter of Credit are for the account of the Applicant. Failure of the Applicant to pay any such amounts shall not affect your rights to make drawings under this Letter of Credit.

As used herein the term “**Business Day**” means (a) a day on which we (at our above address) are open for the purpose of conducting a commercial banking business and (b) a day on which banking institutions in New York, New York, generally are open for the purpose of conducting a commercial banking business. If demand for payment is made by you hereunder on a Business Day on or prior to 4:00 p.m., New York time, and your drawing certificate conforms to the terms and conditions hereof, payment shall be made to you on the next immediately succeeding Business Day. If demand for payment is made by you hereunder on a Business Day after 4:00 p.m., New York time, and your drawing certificate conforms to the terms and conditions hereof, payment shall be made to you on the second immediately succeeding Business Day.

Any notice, demand, draw request or other communication hereunder shall be delivered by hand, by nationally recognized overnight courier, or by facsimile or e-mail to:

Attention: _____

Facsimile No.: _____

E-mail Address: _____

Receipt by us of a demand or draw request at the above address, facsimile number or e-mail address shall constitute valid presentation by you of such demand or draw request. In the case of presentation by facsimile or e-mail (in the case of e-mail attaching a PDF copy of the demand or draw request), presentation of original documents is not required, and such facsimile or e-mail presentation shall constitute valid presentation of the operative drawing documents.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored, payable in immediately available US Dollars upon presentation as specified herein.

This Letter of Credit shall be governed by the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590 (“ISP”), except to the extent that the terms hereof are inconsistent with the provisions of the ISP, in which case the terms of this Letter of Credit shall govern. As to matters not covered by the ISP and to the extent not inconsistent with the ISP or the terms hereof, this Letter of Credit shall be governed by and construed in accordance with the law of the State of New York, including Article 5 of the Uniform Commercial Code as in effect in that State.

If this Letter of Credit or any amendments thereto are transmitted to you by facsimile or e-mail to a facsimile number or e-mail address advised by you in connection with this Letter of Credit (in the case of e-mail attaching a PDF copy), such facsimile or PDF copy of this Letter of Credit or any amendments thereto shall be considered as the operative Letter of Credit instruments and no hard copy mail confirmation shall follow.

[BANK SIGNATURE]

EXHIBIT B

JOINDER TO INTERCREDITOR AND COLLATERAL AGENCY AGREEMENT

River City Bank, in its capacity as Collateral Agent 2485
Natomas Park Dr.
Sacramento, CA 95833
Attention: Cash Management

Reference is made to the Intercreditor and Collateral Agency Agreement, dated as of December 15, 2016 (as amended or restated from time to time, the **“Intercreditor Agreement”**; capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Intercreditor Agreement), among River City Bank, as Collateral Agent, and the PPA Providers party thereto, relating to Silicon Valley Clean Energy Authority, a California joint powers authority (**“SVCEA”**).

By executing and delivering this Joinder to Intercreditor and Collateral Agency Agreement (this **“Joinder”**), the undersigned holder of the Obligations arising under that certain Power Purchase Agreement between SVCEA and the undersigned, a copy of which is enclosed with this Joinder, (1) agrees to the appointment of River City Bank, as its Collateral Agent in accordance with Section 3.1 of the Intercreditor Agreement, and (2) agrees to be bound by all of the terms and provisions of the Intercreditor Agreement. The address set forth under the signature of the undersigned constitutes its address for the purposes of Section 6.9 of the Intercreditor Agreement.

Dated as of: June 1, 2021.

Morgan Stanley Capital Group Inc.

By:

Name: _____ Juliana Chu _____
Title: _____

Morgan Stanley Capital Group Inc. Commodities
Department
Attn: Power Manager
1585 Broadway, 3rd Floor New York, NY 10036



Staff Report – Item 1i

Item 1i: Adopt Resolution Modifying the Electric Schedule NEM-SVCE to Clarify Net Billing Tariff (NBT, NEM 3.0) Language to Ensure No Customer Collections at True Up

From: Monica Padilla, CEO

Prepared by: Peyton Parks, Energy Services Manager

Date: 3/11/2026

RECOMMENDATION

Staff requests the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2026-06 (Attachment 1) to amend SVCE’s Net Energy Metering (NEM) Electric Schedule NEM-SVCE (Attachment 2) to explicitly state that SVCE will not collect funds from a Net Billing Tariff customer at true-up due to claw-backs resulting in negative totals.

BACKGROUND

At its November 8th, 2023 meeting, the SVCE Board of Directors voted to approve the SVCE Net Billing Tariff (NBT) without modification in order to mirror the Pacific Gas and Electric Company (PG&E) version of the program. NBT diverges from previous versions of solar NEM in the underlying mechanics and calculations for determining the value of excess solar energy exported to the grid. While the previous versions of Net Metering, NEM and NEM 2.0, were predominantly retail rate-based, NBT operates on the Energy Export Credit (EEC) value at a varying rate much closer to the wholesale price of energy.

Net Billing Tariff is also differentiated from the legacy versions of NEM in the mechanics and valuation of its end-of-year true-up. Prior versions of NEM provided both monthly compensation for exports based on retail pricing and an annual true-up compensation for net exported physical energy based on the PG&E Net Surplus Compensation (NSC) Rate, which is derived from wholesale power pricing.

Meanwhile, NBT customers who, by the end of an annual solar period (May – April), have exported more kWh to the grid than they have consumed are entitled to payment for that physical energy in the form of Net Surplus Compensation. However, the value of that energy is netted against the value of their monthly exports *already realized as on-bill savings* throughout the course of the year due to offsetting their monthly energy charges. This mechanism is referred to as a ‘claw-back’.

The intention of the claw-back is to prevent solar customers under NBT from receiving double compensation; specifically to avoid a customer exporting energy during the year and getting value from the exported energy each month, but then at the end of the year getting paid *again* at the NSC rate for some of that same energy. In this way, the claw-back plays an important role in recognizing the value already delivered to customers for the energy they produce.

In 2025, power market conditions led to the steady decline of the NSC while the EEC-based claw-back rate continued to rise, creating a scenario where a subset of customers could incur negative values at true-up depending on how much energy they exported, when it was exported, and the overall movement of NSC

values in relation to EEC claw-back rates. This was an unintended consequence of the program’s mechanics, and as such, it differed from how the SVCE Board discussed the implementation of NBT and NSC back in 2023. In keeping with the Board’s intent, staff waived the true-up cost.

ANALYSIS & DISCUSSION

Staff’s understanding of the PG&E rules governing NBT and the NSC back in 2023 were that this mechanism would be used to *reduce* the NSC payment as appropriate but not result in a charge. The language put in place for this tariff at SVCE and when discussed with the Board was under this intent. However, changes in energy markets and the timing of how the NSC and EEC are calculated have led to circumstances where it is possible for an NBT claw-back to result in negative values at true-up - triggering a charge that a customer would need to pay as a net exporter of energy for the year. Staff recognizes that incurring a charge at true-up leads to customer confusion and a negative customer experience.

The potential for negative values at a customer’s true-up is due to the possibility of an imbalance between the NSC rate and the amount that is determined as a claw-back rate, based on the EEC. At the time of the NBT program’s inception, the PG&E program administrators believed that the NSC, which, at the time was higher than their projected claw-back amounts, would always be larger than the claw-back rate. As such, customers would be able to forfeit some amount of their NSC credits but retain a positive balance on their true-up statement.

Staff has taken the Board’s direction to follow PG&E into NBT for new solar customers as seeking fairness and greater equity in the incentives given to solar customers versus those without solar. Accordingly, staff recommends that the claw-back mechanism remain in place in order to avoid double-compensation to NBT solar customers. However, due to the opacity of the calculations, negative customer experience, and the fact that negative charges were not a discussed feature of the NBT and NSC interplay but rather a consequence of unexpected market conditions, staff recommends that the Board amend SVCE’s Electric Schedule NEM-==SVCE such that it specifies that customer charges at true-up will be waived. The table below illustrates the impact on the clawback value with and without the change to this schedule.

	Current Clawback Policy				Proposed Clawback Policy			
	Net Exports		Rate**	Value	Net Exports		Rate**	Value
Net Surplus Compensation	1,000	x	\$0.05	= \$50.00	1,000	x	\$0.05	= \$50.00
Claw-back	1,000	x	-\$0.08	= <u>-\$80.00</u>	1,000	x	-\$0.08	= <u>-\$80.00</u>
Total				-\$30.00				\$0.00

**NSC and Clawback rates are illustrative for example purposes

STRATEGIC PLAN

This recommendation is provided in alignment with Strategic Plan, Goal 7: ‘Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions’ and Goal 8: ‘Engage customers and community stakeholders to build trust of SVCE and advance decarbonization’.

ALTERNATIVE

Staff has considered three alternatives to the recommendation of explicitly clarifying that SVCE will continue the claw-back but will not collect funds from a customer at true-up due to claw-backs resulting in negative totals.

Agenda Item: 1i**Agenda Date: 3/11/2026**

- 1) The Board could choose not to amend the Electric Schedule NEM-SVCE and continue to mirror PG&E's version of the program without modification. This choice creates ambiguity as to whether true-up totals are to be collected as charges during the solar cash-out in April/May 2026 and beyond.
- 2) The Board could choose to amend the Electric Schedule NEM-SVCE in a way that makes it explicit that negative NEM totals are intended to be collected as charges. This would require the collection of negative true-up charges in April 2026 and beyond.
- 3) The Board could choose to remove the claw-back mechanism in its entirety. The decision involves trade-offs that would amount to a major modification to NBT and may require additional analysis and discussion.

FISCAL IMPACT

Due to the nature of the calculation, SVCE staff and its customers will not know the extent of customer impact until the conclusion of the April 2026 billing cycle (and all future billing cycles). However, the impacts are not expected to exceed \$20,000 in true-up fees. Adoption of the changes to the Electric Schedule NEM-SVCE to waive the true-up for customers facing similar conditions as seen in 2025 will not have a material impact on the fiscal year 2025-2026 Board-approved budget.

ATTACHMENT

1. Resolution 2026-06, Updates to the Electric Schedule NEM-SVCE
2. Redline Electric Schedule NEM-SVCE 2026

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2026-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY UPDATING THE ELECTRIC SCHEDULE NEM-SVCE

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

WHEREAS, at the January 11, 2017 Board of Directors Meeting, the Board adopted Electric Schedule NEM-SVCE, establishing Authority’s net energy metering (NEM) rate schedule and associated retail rates of surplus compensation; and

WHEREAS, at the August 11, 2021 and February 12, 2025 Board of Directors Meetings, the Board adopted amendments to Electric Schedule NEM-SVCE; and

WHEREAS, at the November 8, 2023 Board of Directors Meeting, the Board adopted the Net Billing Tariff (NBT) for new solar customers following Pacific Gas and Electric Company’s implementation; and

WHEREAS, NBT customers receive monthly value for the exports from their solar photovoltaic systems on their monthly energy bill based on the Energy Export Credit; and

WHEREAS, NBT customers are also entitled to the end-of-year true-up payment for excess energy exported across the whole year based on the Net Surplus Compensation; and

WHEREAS, NBT customers have the value of monthly compensation removed from this end-of-year true-up payment to prevent double compensation (“claw-back”), which Authority supports as part of an effort to align Authority’s NEM payments with the grid value of energy and fairly compensate customers for NEM surplus energy; and

WHEREAS, it was always the intent of the Authority to prevent double compensation but not for the claw-back to result in a charge to a NBT customer at the time of their end-of-year true-up.

NOW THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve, determine, and order as follows:

Section 1. Update Authority’s Annual Cash-Out terms for NBT customers as described in Exhibit A, Electric Schedule NEM-SVCE, to clarify that

Authority’s approach to applying the claw-back process will not result in a net charge to NBT customers at the time of the cash-out.

PASSED AND ADOPTED this 11th day of March 2026, by the following vote:

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

Chair

ATTEST:

Andrea Pizano, Board Secretary

ATTACHMENT
Electric Schedule NEM-SVCE



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ELECTRIC SCHEDULE NEM-SVCE NET ENERGY METERING

Updated February 12, 2025

APPLICABILITY:

This Net Energy Metering Schedule (NEM-SVCE) is applicable to enrolled Silicon Valley Clean Energy (SVCE) customers who use an eligible Renewable Electrical Generation Facility (REGF), as defined in the applicable PG&E Electric Schedule NEM, NEM2, or Net Billing Tariff (NBT) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer").

This NEM-SVCE rate schedule is available to customers that satisfy all necessary application, interconnection and inspection requirements as described in the applicable PG&E Electric Schedule NEM, NEM2, or NBT, and that take service under an associated PG&E NEM or NBT tariff schedule. This NEM-SVCE schedule also applies to customers served under NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities as described by PG&E Electric Schedules NEM, NEM2, and NBT. For more information on PG&E's NEM and NBT tariffs, visit <https://bit.ly/understanding-pge-net-metering>

PG&E NEM and NBT Tariff Terms and Conditions apply. SVCE NEM and NBT customers are also subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.

TERRITORY: The entire Silicon Valley Clean Energy (SVCE) service area.

RATES: All rates charged under this NEM-SVCE schedule will be in accordance with the eligible customer-generator's otherwise-applicable SVCE rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SVCE or PG&E – any applicable PG&E charges will be addressed in a corresponding PG&E tariff. Charges for energy (kWh) supplied by SVCE, will be based on the net metered usage in accordance with this NEM-SVCE schedule.

BILLING: Customers with NEM or NBT service will be billed by SVCE as follows:



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a) For a customer with Non-Time of Use (TOU) Rates:

The cost/(credit) associated with any net usage/(production) during the customer's normal billing cycle shall be determined as follows:

If the eligible customer-generator is a "Net Consumer," as determined by usage exceeding production during a discrete billing cycle, the eligible customer-generator will be billed in accordance with the eligible customer-generator's OAS.

If the eligible customer-generator is a "Net Generator," as determined by production exceeding usage during a discrete billing cycle, the net energy production shall be valued in accordance with the eligible customer-generator's OAS. The value of all net energy production during the billing cycle shall be credited to SVCE customers as described in Section (c).

If the eligible customer-generator has upgraded to GreenPrime, SVCE's premium 100% renewable electric generation service, net energy consumption will be billed at the applicable GreenPrime rate, and net energy production will be valued at the applicable GreenPrime rate.

b) For a customer with TOU Rates:

If the eligible customer-generator is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be billed in accordance with the eligible customer-generator's OAS.

If the eligible customer-generator is a Net Generator (as defined above) during any discrete TOU period, net energy production during each TOU period shall be valued in consideration of the eligible customer-generator's OAS, applying OAS rates to the quantity of energy produced within each TOU period. The value of all net energy production during the billing cycle shall be credited to SVCE customers as described in Section (c).

If the eligible customer-generator has upgraded to GreenPrime, SVCE's premium 100% renewable electric generation service, net energy consumption will be billed at the applicable GreenPrime rate, and net energy production will be valued at the applicable GreenPrime rate.

c) Monthly Settlement of SVCE Charges/Credits:

NEM and NBT customers will receive a statement in their monthly PG&E bills indicating any accrued charges for their usage during the billing cycle. Customers who have accrued net production credit during previous billing cycles will see this credit applied against current generation charges. Any remaining balance will be due and must be paid in consideration of the due date and remittance advice reflected on each PG&E bill.



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When a customer's net energy production results in a net bill credit during any billing cycle, the value of any net energy production during the billing cycle shall be noted on the customer's bill and carried over as a bill credit for use in subsequent billing period(s).

d) SVCE Annual Cash-Out – effective through customer's March-April 2022 billing cycle end date.

Each April, all current SVCE NEM customers with a production credit balance greater than \$0 will be compensated for the full value of the accrued credit balance, up to a maximum of \$5,000. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. Credit balances in excess of \$5,000 are forfeited.

For NEM production credit balances of \$100 or greater, this payment will be made by check issued from SVCE to the customer. For NEM credit balances of less than \$100, the amount will be applied as a credit on the customer's electricity bill. Customers receiving payment under the SVCE Cash-Out process will have their production credit balance reset to zero as of the start of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the April billing cycle of each year are also eligible for the SVCE Annual Cash-Out process. Payments will be made by check issued from SVCE to the customer.

e) SVCE Annual Cash-Out – effective after end-date of customer's March-April 2022 billing cycle and through customer's March-April 2025 billing cycle

During April of each year, current SVCE NEM and NBT customers with a positive production credit balance (e.g. greater than \$0) will be compensated for net surplus kWh produced over the course of the preceding twelve months at two times the applicable annual net surplus compensation rate (NSC Rate), and SVCE NEM and NBT customers enrolled in the income-qualified CARE or FERA programs will be compensated at two and one half times the applicable annual NSC Rate. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. For all SVCE NEM and NBT customers, annual net surplus compensation is capped at \$5,000, and any amount in excess of \$5,000 is forfeited.

The applicable annual NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7a.m. to 5 p.m., for a 12-month period, beginning in April of the preceding year through March of the current year. The annual NSC Rate is typically in the range of 2.5 to 3 cents/kWh and will vary year to year based on energy market prices. SVCE shall use this annual NSC Rate as the basis for calculating applicable annual Cash-Out net



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surplus compensation payments, and any other applicable NSC payments, such as for account close-outs prior to the next annual Cash-Out in April.

For non-CARE/FERA NEM and NBT customers, net surplus compensation is calculated by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2, and for CARE/FERA NEM and NBT customers, by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2.5. NBT customers are subject to additional conditions for compensation as described by the PG&E Electric Schedule NBT. For annual net surplus compensation amounts of \$100 or more, payment will be made by check issued from SVCE to the customer. For annual net surplus compensation amounts of less than \$100, compensation will be applied as a credit to the customer's bill. For all customers receiving annual net surplus compensation, their solar production retail credit balance will be re-set to zero as of the beginning of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the March-April billing cycle of each year are eligible for net surplus compensation under the annual SVCE Annual Cash-Out process. For any SVCE NEM or NBT customer that moves service or otherwise closes their account, net surplus compensation is capped at \$5,000 and any amount in excess of \$5,000 is forfeited. Net surplus compensation, if any, will be paid by check issued from SVCE to the customer.

f) SVCE Annual Cash-Out – effective beginning on/after end date of customer's March-April 2026 billing cycle

During April of each year, current SVCE NEM and NBT customers with a positive production credit balance (e.g. greater than \$0) will be compensated for net surplus kWh produced over the course of the preceding twelve months at the applicable annual net surplus compensation rate (NSC Rate), and SVCE NEM and NBT customers enrolled in the income-qualified CARE or FERA programs will be compensated at two and one-half times the applicable annual NSC Rate. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. For all SVCE NEM and NBT customers, annual net surplus compensation is capped at \$5,000, and any amount in excess of \$5,000 is forfeited.

The applicable annual NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period, beginning in April of the preceding year through March of the current year. The annual NSC Rate is typically in the range of 2.5 to 3 cents/kWh and will vary year-to-year based on energy market prices. SVCE shall use this annual NSC Rate as the basis for calculating applicable annual Cash-Out net surplus compensation payments, and any other applicable NSC payments, such as for account close-outs prior to the next annual Cash-Out in April.



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For non-CARE/FERA NEM and NBT customers, net surplus compensation is calculated by multiplying any net surplus electricity (kWh) by the annual NSC Rate, and for CARE/FERA NEM and NBT customers, by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2.5. NBT customers are subject to additional conditions for compensation as described by the PG&E Electric Schedule NBT. For NBT annual cash-outs that result in a negative total due to Export Credit Reversal (Claw-back), SVCE will reverse NSC payments up to the total value of NSC and will waive remaining charges.

For annual net surplus compensation amounts of \$100 or more, payment will be made by check issued from SVCE to the customer. For annual net surplus compensation amounts of less than \$100, compensation will be applied as a credit to the customer's bill. For all customers receiving annual net surplus compensation, their production credit balance will be re-set to zero as of the beginning of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the March-April billing cycle of each year are eligible for net surplus compensation under the annual SVCE Annual Cash-Out process. For any SVCE NEM or NBT customer that moves service or otherwise closes their account, net surplus compensation is capped at \$5,000 and any amount in excess of \$5,000 is forfeited. Net surplus compensation, if any, will be paid by check issued from SVCE to the customer.

g) Return to PG&E Bundled Service:

SVCE customers with NEM or NBT service may opt out and return to PG&E bundled service at any time. Customers should be advised that PG&E will perform a true-up of their account at the time such customers return to PG&E bundled service. As described in PG&E Electric Rule 23, certain SVCE customers returning to PG&E service may receive Transitional Bundled Service (TBS) for a limited period of time; TBS will expose such customers to various market price risks – please review PG&E's applicable electric rules and tariffs for additional information.

If a SVCE NEM or NBT customer opts-out of the SVCE program and returns to bundled service, that customer may request the direct payment option, described above in Section (d), for any generation credits that remain on the account, provided that such request is received by SVCE within 90 calendar days of the customer's return to PG&E service.

h) PG&E NEM and NBT Services:

SVCE NEM and NBT customers are subject to PG&E's terms, conditions and billing procedures for any non-generation services, as described in PG&E's Electric Schedule NEM or NBT and



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related PG&E tariff options addressing NEM or NBT service. Customers should be advised that while SVCE reconciles payment/credit balances for generation on a monthly basis, PG&E will continue to assess charges for delivery, transmission and other services. Most NEM and NBT customers will receive an annual true-up from PG&E for these non-generation services. Customers are encouraged to review PG&E's most up-to-date NEM and NBT tariffs, which are available on PG&E's website: <https://bit.ly/understanding-pge-net-metering>



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ELECTRIC SCHEDULE NEM-SVCE NET ENERGY METERING

Updated February 12, 2025

APPLICABILITY:

This Net Energy Metering Schedule (NEM-SVCE) is applicable to enrolled Silicon Valley Clean Energy (SVCE) customers who use an eligible Renewable Electrical Generation Facility (REGF), as defined in the applicable PG&E Electric Schedule NEM, NEM2, or Net Billing Tariff (NBT) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer").

This NEM-SVCE rate schedule is available to customers that satisfy all necessary application, interconnection and inspection requirements as described in the applicable PG&E Electric Schedule NEM, NEM2, or NBT, and that take service under an associated PG&E NEM or NBT tariff schedule. This NEM-SVCE schedule also applies to customers served under NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities as described by PG&E Electric Schedules NEM, NEM2, and NBT. For more information on PG&E's NEM and NBT tariffs, visit <https://bit.ly/understanding-pge-net-metering>

PG&E NEM and NBT Tariff Terms and Conditions apply. SVCE NEM and NBT customers are also subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.

TERRITORY: The entire Silicon Valley Clean Energy (SVCE) service area.

RATES: All rates charged under this NEM-SVCE schedule will be in accordance with the eligible customer-generator's otherwise-applicable SVCE rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SVCE or PG&E – any applicable PG&E charges will be addressed in a corresponding PG&E tariff. Charges for energy (kWh) supplied by SVCE, will be based on the net metered usage in accordance with this NEM-SVCE schedule.

BILLING: Customers with NEM or NBT service will be billed by SVCE as follows:



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a) For a customer with Non-Time of Use (TOU) Rates:

The cost/(credit) associated with any net usage/(production) during the customer's normal billing cycle shall be determined as follows:

If the eligible customer-generator is a "Net Consumer," as determined by usage exceeding production during a discrete billing cycle, the eligible customer-generator will be billed in accordance with the eligible customer-generator's OAS.

If the eligible customer-generator is a "Net Generator," as determined by production exceeding usage during a discrete billing cycle, the net energy production shall be valued in accordance with the eligible customer-generator's OAS. The value of all net energy production during the billing cycle shall be credited to SVCE customers as described in Section (c).

If the eligible customer-generator has upgraded to GreenPrime, SVCE's premium 100% renewable electric generation service, net energy consumption will be billed at the applicable GreenPrime rate, and net energy production will be valued at the applicable GreenPrime rate.

b) For a customer with TOU Rates:

If the eligible customer-generator is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be billed in accordance with the eligible customer-generator's OAS.

If the eligible customer-generator is a Net Generator (as defined above) during any discrete TOU period, net energy production during each TOU period shall be valued in consideration of the eligible customer-generator's OAS, applying OAS rates to the quantity of energy produced within each TOU period. The value of all net energy production during the billing cycle shall be credited to SVCE customers as described in Section (c).

If the eligible customer-generator has upgraded to GreenPrime, SVCE's premium 100% renewable electric generation service, net energy consumption will be billed at the applicable GreenPrime rate, and net energy production will be valued at the applicable GreenPrime rate.

c) Monthly Settlement of SVCE Charges/Credits:

NEM and NBT customers will receive a statement in their monthly PG&E bills indicating any accrued charges for their usage during the billing cycle. Customers who have accrued net production credit during previous billing cycles will see this credit applied against current generation charges. Any remaining balance will be due and must be paid in consideration of the due date and remittance advice reflected on each PG&E bill.



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When a customer's net energy production results in a net bill credit during any billing cycle, the value of any net energy production during the billing cycle shall be noted on the customer's bill and carried over as a bill credit for use in subsequent billing period(s).

d) SVCE Annual Cash-Out – effective through customer's March-April 2022 billing cycle end date.

Each April, all current SVCE NEM customers with a production credit balance greater than \$0 will be compensated for the full value of the accrued credit balance, up to a maximum of \$5,000. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. Credit balances in excess of \$5,000 are forfeited.

For NEM production credit balances of \$100 or greater, this payment will be made by check issued from SVCE to the customer. For NEM credit balances of less than \$100, the amount will be applied as a credit on the customer's electricity bill. Customers receiving payment under the SVCE Cash-Out process will have their production credit balance reset to zero as of the start of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the April billing cycle of each year are also eligible for the SVCE Annual Cash-Out process. Payments will be made by check issued from SVCE to the customer.

e) SVCE Annual Cash-Out – effective after end-date of customer's March-April 2022 billing cycle and through customer's March-April 2025 billing cycle

During April of each year, current SVCE NEM and NBT customers with a positive production credit balance (e.g. greater than \$0) will be compensated for net surplus kWh produced over the course of the preceding twelve months at two times the applicable annual net surplus compensation rate (NSC Rate), and SVCE NEM and NBT customers enrolled in the income-qualified CARE or FERA programs will be compensated at two and one half times the applicable annual NSC Rate. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. For all SVCE NEM and NBT customers, annual net surplus compensation is capped at \$5,000, and any amount in excess of \$5,000 is forfeited.

The applicable annual NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7a.m. to 5 p.m., for a 12-month period, beginning in April of the preceding year through March of the current year. The annual NSC Rate is typically in the range of 2.5 to 3 cents/kWh and will vary year to year based on energy market prices. SVCE shall use this annual NSC Rate as the basis for calculating applicable annual Cash-Out net



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surplus compensation payments, and any other applicable NSC payments, such as for account close-outs prior to the next annual Cash-Out in April.

For non-CARE/FERA NEM and NBT customers, net surplus compensation is calculated by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2, and for CARE/FERA NEM and NBT customers, by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2.5. NBT customers are subject to additional conditions for compensation as described by the PG&E Electric Schedule NBT. For annual net surplus compensation amounts of \$100 or more, payment will be made by check issued from SVCE to the customer. For annual net surplus compensation amounts of less than \$100, compensation will be applied as a credit to the customer's bill. For all customers receiving annual net surplus compensation, their solar production retail credit balance will be re-set to zero as of the beginning of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the March-April billing cycle of each year are eligible for net surplus compensation under the annual SVCE Annual Cash-Out process. For any SVCE NEM or NBT customer that moves service or otherwise closes their account, net surplus compensation is capped at \$5,000 and any amount in excess of \$5,000 is forfeited. Net surplus compensation, if any, will be paid by check issued from SVCE to the customer.

f) SVCE Annual Cash-Out – effective beginning on/after end date of customer's March-April 2026 billing cycle

During April of each year, current SVCE NEM and NBT customers with a positive production credit balance (e.g. greater than \$0) will be compensated for net surplus kWh produced over the course of the preceding twelve months at the applicable annual net surplus compensation rate (NSC Rate), and SVCE NEM and NBT customers enrolled in the income-qualified CARE or FERA programs will be compensated at two and one-half times the applicable annual NSC Rate. The production credit balance will be determined as of the final date of the customer's March-April billing cycle. For all SVCE NEM and NBT customers, annual net surplus compensation is capped at \$5,000, and any amount in excess of \$5,000 is forfeited.

The applicable annual NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period, beginning in April of the preceding year through March of the current year. The annual NSC Rate is typically in the range of 2.5 to 3 cents/kWh and will vary year-to-year based on energy market prices. SVCE shall use this annual NSC Rate as the basis for calculating applicable annual Cash-Out net surplus compensation payments, and any other applicable NSC payments, such as for account close-outs prior to the next annual Cash-Out in April.



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For non-CARE/FERA NEM and NBT customers, net surplus compensation is calculated by multiplying any net surplus electricity (kWh) by the annual NSC Rate, and for CARE/FERA NEM and NBT customers, by multiplying any net surplus electricity (kWh) by the annual NSC Rate x 2.5. NBT customers are subject to additional conditions for compensation as described by the PG&E Electric Schedule NBT. For NBT annual cash-outs that result in a negative total due to Export Credit Reversal (Claw-back), SVCE will reverse NSC payments up to the total value of NSC and will waive remaining charges.

For annual net surplus compensation amounts of \$100 or more, payment will be made by check issued from SVCE to the customer. For annual net surplus compensation amounts of less than \$100, compensation will be applied as a credit to the customer's bill. For all customers receiving annual net surplus compensation, their production credit balance will be re-set to zero as of the beginning of their April-May billing cycle.

Customers who close their electric account through PG&E or move outside of the SVCE service area prior to the March-April billing cycle of each year are eligible for net surplus compensation under the annual SVCE Annual Cash-Out process. For any SVCE NEM or NBT customer that moves service or otherwise closes their account, net surplus compensation is capped at \$5,000 and any amount in excess of \$5,000 is forfeited. Net surplus compensation, if any, will be paid by check issued from SVCE to the customer.

g) Return to PG&E Bundled Service:

SVCE customers with NEM or NBT service may opt out and return to PG&E bundled service at any time. Customers should be advised that PG&E will perform a true-up of their account at the time such customers return to PG&E bundled service. As described in PG&E Electric Rule 23, certain SVCE customers returning to PG&E service may receive Transitional Bundled Service (TBS) for a limited period of time; TBS will expose such customers to various market price risks – please review PG&E's applicable electric rules and tariffs for additional information.

If a SVCE NEM or NBT customer opts-out of the SVCE program and returns to bundled service, that customer may request the direct payment option, described above in Section (d), for any generation credits that remain on the account, provided that such request is received by SVCE within 90 calendar days of the customer's return to PG&E service.

h) PG&E NEM and NBT Services:

SVCE NEM and NBT customers are subject to PG&E's terms, conditions and billing procedures for any non-generation services, as described in PG&E's Electric Schedule NEM or NBT and



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related PG&E tariff options addressing NEM or NBT service. Customers should be advised that while SVCE reconciles payment/credit balances for generation on a monthly basis, PG&E will continue to assess charges for delivery, transmission and other services. Most NEM and NBT customers will receive an annual true-up from PG&E for these non-generation services. Customers are encouraged to review PG&E's most up-to-date NEM and NBT tariffs, which are available on PG&E's website: <https://bit.ly/understanding-pge-net-metering>



Staff Report – Item 1j

Item 1j: Adopt Resolution Authorizing the Replacement of The Trustee for Certain California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and Certain Other Actions in Connection Therewith

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO and Director of Administrative Services
Zakary Liske, Deputy Director of Power Resources

Date: 3/11/2026

RECOMMENDATION

Staff recommends that the Board of Directors (“Board” or “BOD”) adopt Resolution 2026-07 authorizing the replacement of the Trustee for certain California Community Choice Financing Authority (“CCCFA”) Clean Energy Project Revenue Bonds; and certain other actions in connection therewith.

BACKGROUND

SVCE is the project participant for several CCCFA Clean Energy Project Revenue Bonds. Those include Series 2021B, 2023B, 2024A and 2025F. These bonds are commonly referred to as energy prepayment transactions.

Part of the transaction structure includes a Trustee to carry out ongoing operational functions of the bond issuances including monthly cash flows related to the power supply contracts and debt service payments. In each of SVCE’s four prepay transactions, the Trustee has been The Bank of New York Mellon Trust Company, N.A. (“BNYM”).

ANALYSIS & DISCUSSION

SVCE has worked with BNYM as Trustee for the first four transactions; however, staff finds it prudent to replace BNYM with U.S. Bank Trust Company, National Association (“U.S. Bank”).

U.S. Bank currently serves as Trustee the large majority of CCCFA’s transactions except those in which SVCE or Ava Community Energy (“Ava”) are project participants.

After internal analysis and concurrence with Ava staff, SVCE staff recommend U.S. Bank serve as Trustee moving forward given their extensive experience with CCCFA prepayment transactions.

The process to change the Trustee will require working with a group of parties previously involved in the prior deal structuring and execution. The work involved includes executing an agreement for U.S. Bank to take over the Trustee role along with a handful of amended ancillary agreements and notices to effectuate the change.

Working Group Parties

CCCFA	California Community Choice Financing Authority
Project Participants	Silicon Valley Clean Energy Authority (“SVCE”) and Ava Community Energy (formerly East Bay Community Energy) (“Ava”)
Bond Counsel	Orrick, Herrington & Sutcliffe LLP and Ballard Spahr LLP, as applicable, as bond counsel

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Energy Counsel	Chapman and Cutler LLP
Sheppard	Sheppard, Mullin, Richter & Hampton LLP, counsel to the Morgan Stanley entities (including the Energy Suppliers and MSCG)
Energy Supplier	Morgan Stanley Energy Structuring, L.L.C. ("MSES"), Energy Prepay VIII, LLC or Energy Prepay IX, LLC (as applicable), as Energy Supplier
MSCG	Morgan Stanley Capital Group Inc., in its role as a PPA Assignee under the PPA Custodial Agreements
RBC	Royal Bank of Canada, in its role as a Commodity Swap Counterparty under the 2021B and 2023B transactions.
Natixis	Natixis, in its role as a Commodity Swap Counterparty under the 2022A, 2023E, 2024A and 2025C transactions.
BP	BP Energy Company, in its role as a Commodity Swap Counterparty under the 2024A and 2025F transactions
U.S. Bank	U.S. Bank Trust Company, National Association, as successor Trustee, Paying Agent and Custodian
BNYM	The Bank of New York Mellon Trust Company, N.A., as existing Trustee, Paying Agent and Custodian
BNYM Counsel	[TBD]
U.S. Bank Counsel	[TBD]

STRATEGIC PLAN

Approving the resolution will further Goal #6 of the SVCE Strategic Plan:

Goal #6: Maintain a healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risk, and enterprise risk.

FISCAL IMPACT

The fiscal impact is limited to the legal and administrative work to execute the replacement. This cost is expected to be no more than \$100,000, which is SVCE's share based on splitting fees with Ava, and within the CEO's signing authority. SVCE's approved budget includes funds for professional services inclusive of prepay related expenses.

The economics and cash flows of the existing prepays are not expected to be impacted.

ATTACHMENTS

1. Resolution 2026-07 authorizing replacement of the Trustee for certain California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions in connection therewith

RESOLUTION 2026-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AUTHORIZING THE REPLACEMENT OF THE TRUSTEE FOR CERTAIN CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, The Silicon Valley Clean Energy Authority (“SVCE”) was formed as a community choice aggregation agency (“CCA”) on March 31, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.* (the “Act”), among the City of Campbell, City of Cupertino, City of Gilroy, City of Los Altos, Town of Los Altos Hills, Town of Los Gatos, City of Monte Sereno, City of Morgan Hill, City of Mountain View, County of Santa Clara (Unincorporated Area), City of Saratoga and City of Sunnyvale, to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The city of Milpitas, located in Santa Clara County, was added as a member of SVCE and a party to the Joint Powers Agreement (as defined below) in June 2018;

WHEREAS, California Community Choice Financing Authority (the “Issuer”) is a joint powers authority established and organized under the Act, with the power and authority to enter into contracts and issue bonds to assist CCAs in financing the acquisition of supplies of clean energy;

WHEREAS, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy by any means and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created;

WHEREAS, the Issuer previously issued its (a) Clean Energy Project Revenue Bonds, Series 2021B-1 (Term Rate) and Series 2021B-2 (SIFMA Index Rate) (collectively, the “Series 2021B Bonds”), (b) Clean Energy Project Revenue Bonds, Series 2023B-1 (Green Bonds) (Term Rate) and Series 2023B-2 (Green Bonds) (SOFR Index Rate) (collectively, the “Series 2023B Bonds”), (c) Clean Energy Project Revenue Bonds, Series 2024A (Green Bonds) (Term Rate) (the “Series 2024A Bonds”), and (d) Clean Energy Project Revenue Bonds, Series 2025F (Green Bonds) (Term Rate) (the “Series 2025F Bonds” and, collectively with the Series 2021B Bonds, the Series 2023B Bonds and the Series 2024A Bonds, the “Bonds”), the proceeds of which were applied to purchase certain quantities of clean energy on a prepaid basis which clean energy was sold to SVCE (and, with respect to the Series 2021B Bonds, to another Project Participant);

WHEREAS, each series of Bonds was issued pursuant to an Indenture of Trust (collectively, the “Indentures”) between the Issuer and The Bank of New York Mellon Trust Company, N.A. (“BNYM”), as trustee (the “Trustee”);

WHEREAS, each Indenture provides that, so long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with 30 days’ prior written notice, with or without cause, by delivery of a written certificate of the Issuer to the Trustee, which removal shall not be effective until a successor Trustee has been appointed, and that at any time the Trustee is removed, a successor Trustee may be appointed by the Issuer;

WHEREAS, SVCE has determined that it is desirable to direct the Issuer to remove BNYM as Trustee and appoint U.S. Bank Trust Company, National Association (“U.S. Bank”) as successor Trustee under each Indenture (such transactions, collectively, the “Trustee Replacement”);

WHEREAS, SVCE has determined to authorize the officers of SVCE to take all necessary action to accomplish the Trustee Replacement; and

NOW THEREFORE, BE IT RESOLVED by the SVCE Board of Directors, as follows:

Section 1. SVCE hereby approves the Trustee Replacement.

Section 2. Any of the Chief Executive Officer and the Chief Financial Officer (each an “Authorized Officer”) is hereby authorized and directed, for and in the name and on behalf of SVCE, to execute and deliver any and all documents, instruments, agreements, amendments and certificates, including, without limitation, any requests, notices or directions with respect to the Trustee Replacement and any documents necessary to effect the replacement of BNYM with U.S. Bank under any other transaction documents executed with respect to the Bonds, the approval of such documents and certificates by an Authorized Officer to be conclusively evidenced by the execution and delivery thereof, and to take any and all actions which may be necessary or advisable, in the discretion of such Authorized Officers, to effectuate the actions which SVCE has approved in this Resolution, for the Trustee Replacement, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 3. All actions heretofore taken by the Authorized Officers with respect to the Trustee Replacement are hereby ratified, confirmed and approved.

Section 4. An Authorized Officer may direct the payment to professionals that provided services to SVCE in connection with the Trustee Replacement. These professional services include legal counsel, bond counsel, tax counsel, Municipal Financial Advisor, Swap Advisor, and any other consultant needed to complete the transactions contemplated herein for SVCE. Payment to these professionals will be made pursuant to the terms of the applicable agreement executed with SVCE.

Section 5. An Authorized Officer may direct the payment to additional vendors and/or parties to any documents entered into with respect to the Trustee Replacement to complete the Trustee Replacement. These vendors, if any, will be paid pursuant to an agreement for services rendered in completing the Trustee Replacement.

Section 6. This Resolution shall take effect immediately.

ADOPTED AND APPROVED at a regular meeting of the SVCE Board of Directors on this 11th day of March, 2026.

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

Chair

Attest:

Andrea Pizano, Board Clerk



Staff Report – Item 1k

Item 1k: Receive Executive Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Pat Showalter, Executive Committee Chair

Date: 3/11/2026

The Executive Committee (Committee) met February 27, 2026 and discussed a request from staff to support an addition to the 2026 Legislative Policy Platform on a Diablo Canyon Nuclear Power Plant extension, considered a recommendation to change SVCE’s fiscal year period, and received an update on financial levers.

Monica Padilla, Chief Executive Officer, provided an update on the California Public Utility Commission (CPUC) decision on a new procurement order, and Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, provided an update on SVCE’s new headquarters.

The Committee heard from Bena Chang, Director of Government and Legislative Affairs, who presented a request for the Committee to recommend that the Board of Directors approve an addition to the 2026 Legislative Policy Platform to support an extension of the Diablo Canyon Nuclear Power Plant (subject to affordability provisions). The addition to the Policy Platform was suggested in anticipation of state legislation. The Committee was supportive, and voted unanimously to approve the recommendation from staff in addition to including language on continuing to use nuclear power. This item will be included on the Consent Calendar for the Board’s consideration in March.

Amrit Singh, Chief Financial Officer, presented a request for the Committee to support a change to SVCE’s fiscal year period from the current October 1 through September 30 to a calendar year, effective January 1, 2027, and changes to the SVCE Budget Policy to remove the requirement to provide a budget overview two months prior to the end of the fiscal year. CFO Singh outlined the reasoning behind the proposed fiscal year change, which was to more closely align with the adoption of the annual budget with customer rate changes, and how this change would affect the budget and planning process timeline. In the event the fiscal year change is approved, there would be a transition period starting January 1, 2027 and an interim three-month transition “stub” period would be needed from October 2026 to December 2026. The Committee voted unanimously to support the fiscal year change, which will be presented to the Board of Directors at the March Board of Directors meeting.

Justin Zagunis, Director of Customer Success, provided a follow-up update on financial levers from discussions had with the Board back in December 2025. Director of Customer Success Zagunis included a recap of SVCE’s value proposition and the feedback that was heard from the first discussions, and presented an example scenario of customer choice where the customer has an option to opt down to a new minimum compliance product. The Committee discussed this example scenario and opinions on the importance of various levers, remaining competitive, remaining clean, and how other CCAs are handling similar challenges. Staff will bring this discussion to the Board of Directors at the March meeting to incorporate the Executive Committee’s comments and receive additional feedback.

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Materials from this meeting can be found on SVCE's website: [SVCE Executive Committee Meeting, February 27, 2026](#)

The next meeting of the Executive Committee will be held March 27, 2026 at 10:00 a.m.; materials will be posted no later than 72 hours in advance of the meeting.



Staff Report – Item 11

Item 11: Receive Finance and Administration Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Murali Srinivasan, Chair, Finance and Administration Committee
 Bryan Mekechuk, Vice Chair, Finance and Administration Committee

Date: 3/11/2026

The Finance and Administration Committee (Committee) met for its first meeting of the calendar year on Thursday, March 5, 2026 with all five members present (four in person, and one remote). The Committee selected Alternate Director Murali Srinivasan to serve as Chair and Director Bryan Mekechuk to serve as Vice Chair for 2026. Staff presented items on a recommendation to change SVCE’s fiscal year period, review and request for recommending the fiscal year 2025-2026 mid-year adjusted operating budget, an update on SVCE’s financial levers discussion, and an overview of SVCE’s Enterprise Risk Management and proposed stress test cases.

Amrit Singh, Chief Financial Officer, shared that the Audit Committee met on March 3, 2025 and voted unanimously to recommend that the Board of Directors (Board) accept the audit results, which will be presented to the Board at the March 11, 2026 Board meeting. CFO Singh also commented on the implementation of GASB 96, mentioning that the threshold of the policy will be brought to the May Finance and Administration Committee.

CFO Singh presented a request for the Finance and Administration Committee to recommend that the Board of Directors approve the change of SVCE’s fiscal year period, currently October 1 – September 30, to a calendar year, effective January 1, 2027. Benefits from this change include avoiding setting a budget in September and having to amend it when there is more certainty on upcoming PG&E rates and PCIA charges, and it aligns with the timeline for many external compliance requirements and internal planning processes. CFO Singh reviewed the new planning process and timeline for this proposed change, noting the Board will no longer have the opportunity to review and provide feedback on the proposed budget two months prior to the end of the fiscal year (therefor requiring an amendment to the Budget, Adoption, Control and Reporting Policy to remove this requirement), and the need for an interim three-month stub fiscal period Oct. 1, 2026 – December 31, 2026 and authorizing a combined two-period audit to cover this stub-period along with the first audit of the new fiscal year. The Committee voted unanimously to support this recommendation, which will be presented to the Board at the March 11, 2026 Board meeting.

Next, CFO Singh presented the Fiscal Year 2025-2026 Mid-year Adjusted Operating Budget, which showed a \$12.5 million draw from reserves as opposed to the \$60.5 million adopted in the December 2025 budget due to power costs decreasing and revenues increasing. CFO Singh noted the negative five-year financial outlook trend previously shared in the December 2025 budget update continues, with the five-year financial projection in December 2025 showing 200 days of cash on hand (DCOH) at the end of the five year projection period decreasing to 142 DCOH. The Committee voted unanimously to recommend the Board to approve the fiscal year 2025-2026 mid-year adjusted operating budget, which will be presented on March 11, 2026 to the Board.

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Justin Zagunis, Director of Customer Success, presented follow-up information from the December 2025 Special Meeting on financial levers, reviewing the input received from the Board and the customer-facing value proposition. Director of Customer Success Zagunis requested feedback from the Committee on an example scenario, which included a default clean product at a 4% premium, an option for customers to opt down to a minimum compliance product at a 1% discount to PG&E, and to reduce program spend by 10% starting in fiscal year 2027. Committee members provided feedback on the scenario and shared the value propositions of importance to them.

Scott Wrigglesworth, Director of Risk Management and Analytics, shared an overview of SVCE's planning and budgeting process, and requested feedback on the planned financial stress test scenarios (price collapse, affordability focus, and PCIA reopening/revamp). The Committee inquired about other risks and opportunities that were being monitored, and was supportive of the stress test scenarios identified. This item will come back to the Finance and Administration Committee meeting in the May timeframe with the analysis results and will then be presented to the Board in June 2026.

Materials from the Finance and Administration Committee meeting can be found at the following link: [SVCE Finance and Administration Committee Meeting, 3/5/26](#).

The next meeting of the Finance and Administration Committee is anticipated to be in May 2026; the exact date will be determined by Finance and Administration Committee member availability. Materials will be posted no later than 72 hours in advance of the meeting.



Staff Report – Item 1m

Item 1m: Receive Audit Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Bryan Mekechuk, Chair, Audit Committee

Date: 3/11/2026

On behalf of the Audit Committee, I am submitting this report to the Board of Directors.

The Audit Committee held its first meeting of calendar year 2026 on Tuesday, March 3, 2026. Returning members to the committee included Director George Tyson (Town of Los Altos Hills), Committee member Harjot Sangha (City of Gilroy) and me (City of Monte Sereno); Committee member Jessie Kim (City of Los Altos) is the committee's new member. Three Committee members participated in person, and one was remote.

The Audit Committee selected me to continue serving as Chair and Committee member Sangha to serve as Vice Chair for 2026.

As the 2025 Chair of the Audit Committee, on January 30, 2026 I met with CFO Amrit Singh, Karen Chang, Manager of Finance and Mike Maher (Maher Accountancy) and walked through the draft financial statements in detail during that meeting.

On February 13, 2026, I met over Zoom with Kellin Gilbert, the partner with Sorren CPAs, P.C. that is responsible for auditing SVCE, regarding the financial accounting and disclosure, and the audit itself without SVCE management present.

During the Audit Committee meeting on March 3, 2026, Mr. Gilbert presented the results of the audit of the Fiscal Year 2024-25 financial statements to the group and noted the audit was complete and an unmodified audit opinion (a "clean audit opinion") was reported. The Committee voted unanimously to receive the financial audit report and recommend the SVCE Board of Directors accept the audit findings. These findings will be presented to the Board of Directors at the March 11, 2026 Board meeting.

Amrit Singh, CFO, presented a request for the Committee to recommend the Board approve changing the fiscal year period to a calendar year from the current October 1 through September 30 fiscal year. CFO Singh reviewed how this change would affect the timeline for the financial budget and annual audit, in addition to needing an interim three-month stub period from October 1, 2026 to December 31, 2026. The request also included authorizing a combined two-period audit covering the three-month stub period, along with the first audit of the new fiscal year. The Committee voted unanimously to support the changes, which will be on the agenda for the March 11, 2026 Board meeting.

The last regular calendar item discussed at the Audit Committee meeting was an informational item from Nik Zannotto, Director of Operations, and Brett Sirianni, Information Security Manager, on SVCE's cybersecurity posture. The presentation included an overview of SVCE's information system audits and assessments, security training, and update on security incidents.

Materials from the Audit Committee meeting can be found at the following link: [SVCE Audit Committee Meeting, 3/3/26.](#)

Agenda Item: 1m

Agenda Date: 3/11/2026

The next meeting of the Audit Committee is anticipated to be in September 2026, and the exact date will be determined by Audit Committee member availability; materials will be posted no later than 72 hours in advance of the meeting.



Staff Report – Item 1n

Item 1n: Receive 2026 Legislative Responses to Industry Transition Ad Hoc Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 3/11/2026

There is no report for the 2026 Legislative Responses to Industry Transition Ad Hoc Committee; the first meeting of this committee is expected to take place in March based on member availability.



Staff Report – Item 1o

Item 1o: Receive California Community Power Report

To: Silicon Valley Clean Energy Board of Directors

From: Monica Padilla, CEO

Date: 3/11/2026

Per direction from the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) on December 9, 2020 for the Chief Executive Officer to provide a report of the ongoing activities of California Community Power (CC Power) after each of its meetings, this is to report CC Power’s February 18, 2026 meeting was canceled.

The next meeting of the board will be March 18, 2026 at 1:00 p.m.; meeting materials can be found on the CC Power website: <https://cacommunitypower.org/meetings/>



Staff Report – Item 2

Item 2: CEO Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Monica Padilla, CEO

Date: 3/11/2026

REPORT

Personnel Officer Update

A Senior Manager of Human Resources position is currently open and posted to SVCE's website: [Current Job Openings](#)

Power Resources & Clean Energy Update

SVCE launched a solicitation for new long-term projects, "2026 Request for Offers for New Build Carbon Free Energy and Storage Projects," on February 5th, and received offers March 4th. The goal of this RFO is to make progress towards meeting its goals related to Renewable Portfolio Standard (RPS), greenhouse gas emission reductions, and reliability requirements by contracting with RPS-eligible and carbon-free resources. SVCE is seeking resources with initial delivery dates in 2026 or later, for a minimum term of ten (10) years and a maximum term of twenty (20) years. SVCE is currently reviewing offers, and targets execution of a PPA for any successful project(s) by the end of 2026.

SVCE is on track to end 2025 above its target with a 107% clean position – actual load and resources are still being calculated. Looking forward, 2026 has several Power Purchase Agreements (PPA) coming online in the first half of the 2026, including: 1) SunZia [125MW of wind] is targeting April, 2) Angela [20/10MW solar+storage] is targeting May, 3) Aratina [80/50MW solar+storage] is targeting June, and 4) Tumbleweed [15.9MW long duration storage via CC Power] is also targeting June. If all these resources meet their expected online dates SVCE should be at 105.5% clean for the year.

Attachment 1 provides a summary of clean energy procurement and development progress.

Budget and Financial Outlook Update

Treasurer's Report: The Board packet includes the Treasurer's report (Item 1c), which shows the Total Net Position decreased to \$527.4 million from \$532.2 million reported in last month's report. Staff reviewed the mid-year budget update with the Finance and Administration Committee last week and will present it to the Board on March 11, 2026.

Customer Success Department Updates

Press and Media

Press Releases

- [Silicon Valley Clean Energy Board Names 2026 Chair and Vice Chair](#), Press Release, 2-11-26

Media Mentions

- [Heat Pump Water Heaters Can Save Over \\$500/Year On Utility Bills](#), CleanTechnica, 2-16-26
- [Hydrostor’s Willow Rock Energy Storage Center Signs Offtake Agreement with California Community Power](#), AP News, 2-12-26
- [The growing need for long-duration energy storage in the US](#), Solar Power World, 2-10-26
- [Mountain View doubles money to offer \\$2K water heater rebates](#), Mountain View Voice, 2-3-26

Recent & Upcoming Events

<p>March 11 – MV Chamber Business Issues & Public Policy Meeting</p> <ul style="list-style-type: none"> - Staff presentation - 12 – 1:30 p.m. - Zoom; email SVCE staff for registration link 	<p>March 14 – Cupertino Rotary Club Home Tours</p> <ul style="list-style-type: none"> - Sponsorship - Time TBD - Homes throughout Cupertino, Saratoga, Los Altos, and Los Altos Hills
<p>March 26 - SCCOE Environmental Literacy Summit (Tentative)</p> <ul style="list-style-type: none"> - Sponsorship - 8 a.m. – 3:30 p.m. - SCCOE, 1290 Ridder Park Drive San Jose, CA 95131 	<p>April 4 – Cupertino Earth Day</p> <ul style="list-style-type: none"> - Tabling - 11 a.m. – 3 p.m. - Cupertino Library Lawn, 10800 Torre Ave, Cupertino, CA 95014
<p>April 11 – Sunnyvale Earth Day</p> <ul style="list-style-type: none"> - Tabling - 11 a.m. – 2 p.m. - Sunnyvale City Hall, 456 W Olive Ave, Sunnyvale, CA 94086 	<p>April 13 – Climate Center Policy Summit</p> <ul style="list-style-type: none"> - Sponsorship - 9 a.m. – 5 p.m. - Sheraton Grand Sacramento Hotel, 1230 J St, Sacramento, CA 95814
<p>April 18 – Mountain View Earth Day</p> <ul style="list-style-type: none"> - Tabling - Time TBA - 500 Castro St, Mountain View, CA 94041 	<p>April 18 – Milpitas Earth Day</p> <ul style="list-style-type: none"> - Tabling - Time TBA - 1567 Yellowstone Ave, Milpitas, CA 95035
<p>April 24 – Saratoga Elementary Earth Day</p> <ul style="list-style-type: none"> - Presentations and tabling - 8 a.m. - 12 p.m. - 14592 Oak St, Saratoga, CA 95070 	<p>April 25 – Morgan Hill Earth Day</p> <ul style="list-style-type: none"> - Tabling - 9 a.m. - 2 p.m. - 17000 Monterey Rd, Morgan Hill, CA 95037
<p>April 26 – Los Gatos Spring Into Green</p> <ul style="list-style-type: none"> - Tabling - 10 a.m. - 2 p.m. - Town Plaza Park, Montebello Way, Los Gatos, CA 95030 	

Regulatory & Legislative Update

Regulatory:

On February 26th the CPUC voted out a revised proposed decision (“PD”) in the Integrated Resource Planning proceeding directing load serving entities (“LSEs”) such as SVCE to procure an additional 6,000 MW of new resources. In the February 24th revision the Commission removed the original PD’s requirement that no more than 50% of the capacity comes from storage. However, the order now requires that 25% of the capacity come from long duration energy storage and/or geothermal resources. Additionally, due to a change in the forecast for setting the allocation, SVCE’s total share of 6,000 MW has increased from 125 MW to 135 MW net qualifying capacity (“NQC”). SVCE is required to bring on 45 MW NQC per year in 2030, 2031 and 2032, respectively.

Legislative:

February 27, 2026, was the deadline for state legislators to introduce bills. SVCE staff is reviewing and analyzing bills. CalCCA, SVCE’s state trade association, is sponsoring two bills this legislative session: AB 1671 (Rogers) to

Agenda Item: 2

Agenda Date: 3/11/2026

provide data transparency around the Power Charge Indifference Adjustment and SB 1138 (Padilla) to allow Resource Adequacy obligation trading. SVCE is working closely with CalCCA to ensure the passage of the bills.

On February 12, 2026, the federal administration finalized the formal repeal of the 2009 Endangerment Finding. The Endangerment Finding is the legal foundation for regulating GHG emissions under the Clean Air Act. As part of this repeal, the Environmental Protection Agency concluded that the Clean Air Act does not authorize the Environmental Protection Agency to regulate GHG emissions from motor vehicles. The repeal of the Endangerment Finding may lead to the elimination of regulations such as the Corporate Average Fuel Economy (CAFE) standards for vehicles, and rules around clean power plants. Several groups have sued in response.

Attachment 2 contains a summary of current regulatory proceedings and legislative initiatives SVCE staff is either participating in or monitoring.

New SVCE Headquarters

Construction on the new SVCE Headquarters began in the last week of February. The current estimate is that construction will be complete at the end of June and staff will move in at the start of July 2026. Staff is in the process of assessing furniture and equipment needs.

Look Ahead Update

Staff continues to plan for Board and committee meetings for the year. Below is a preview of what’s ahead for the Board from April through June 2026:



Agenda Look Ahead: April – June 2026

April	May	June
<p>11th: BOD Meeting</p> <ul style="list-style-type: none"> • New Headquarters Update – <i>Discussion</i> • Approve Power Purchase Agreement - <i>Action</i> • SVCE Decarbonization Roadmap Update – <i>Discussion</i> • Programs Impact Summary – January 1, 2025 to December 31, 2025 – <i>Informational</i> 	<p>15th: BOD Meeting</p> <ul style="list-style-type: none"> • Integrated Resource Plan – <i>Action</i> • SVCE Financial Levers Discussion and Direction - <i>Action</i> 	<p>10th: BOD Meeting</p> <ul style="list-style-type: none"> • Stress Test Analyses Results – <i>Discussion</i> • Custom Pricing Policy – New Load – <i>Discussion</i> • Policy Updates – <i>Action</i>

*Please note the items on this schedule may change depending on priorities

Upcoming Events

- March 20, 2026: POWER Conference on Energy Research and Policy, Berkeley
- April 21 – 24, 2026: Economics of Energy and the Environment Virtual Course
- May 12 – 14, 2026: CalCCA Conference & 10-year Anniversary Celebration, Sacramento
- June 18, 2026: CC Power Ribbon Cutting for Tumbleweed Long Duration Storage Project, Kern County

ATTACHMENTS

1. SVCE Clean Power Update, March 2026
2. Regulatory and Legislative Update, March 2026

Agenda Item: 2**Agenda Date: 3/11/2026****Exhibit 1 - CEO Agreements Executed Under Delegated Authority**

The following agreements have been executed by the CEO or their delegate, consistent with the authority delegated by the Board:

Type	Consultant	Description	Compensation	Term	Authority
Agreement	Sabrina Bornstein	Writing Consulting Services	NTE - \$49,500	1/30/2026 - 12/31/2026	CEO Spending Authority
Agreement	Eagle Park	Multifamily Retrofits Grant Program	NTE - \$237,203	2/4/2026 - 12/31/2028	BOD Approved 12/2023
Agreement	San Francisco Elevator Services	Elevator maintenance	NTE - \$4,000	2/5/2026 - 2/4/2027	CEO Spending Authority
Agreement	950 El Camino Real, L.P	Multifamily Retrofits Grant Program	NTE - \$248,067	2/4/2026 - 12/31/2028	BOD Approved 12/2023
Agreement	Ion Translations, LLC	Translations Services	NTE - \$140,000	10/1/2022 - 9/30/2027	CEO Spending Authority
Agreement	Town Of Los Altos Hills	Member Agency Grant	NTE - \$155,736	2/10/2026 - 12/31/2028	BOD Approved 3/2024
Amendment	Jeff Carino	AI Consulting	No new money (term extension)	extends term to 5/31/2026	CEO Spending Authority
Agreement	SJECCD Foundation	Scholarship Establishment Agreement	NTE - \$35,000	2/11/2026 - 12/31/2026	Workforce Development Partnership Program Funds approved by BOD 3/2024
Amendment	HBT Energy Management	Power Resources Management Services	No new money (term extension)	extends term to 3/31/2027	CEO Spending Authority
Agreement	ClearResult Consulting	Technical Assistance for Community Grants	NTE - \$300,000	2/18/2027 - 12/31/2030	BOD Approved 2/2026
Agreement	City of Gilroy	Member Agency Grant	NTE - \$235,178	2/20/2026 - 12/31/2028	BOD Approved 3/2024
Agreement	Laura Kaplan	Recruiting Sourcing	NTE - \$2,500	2/23/2026 - 5/31/2026	CEO Spending Authority

**Exhibit 2 - CEO Power Supply Agreements Executed Under Delegated Authority**

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
MRP San Joaquin Energy, LLC	2/16/2026	Sale	Resource Adequacy	3/1/2026	3/7/2026	\$55,582.26
MRP San Joaquin Energy, LLC	2/16/2026	Sale	Resource Adequacy	3/15/2026	3/21/2026	\$16,483.87

CEO Report Clean Power Update

SVCE Board Meeting
March 11, 2026



California's Clean Energy Goals

SVCE's procurement targets are primarily driven by regulatory requirements and Board goals

SB100

- 60% Renewable Energy by 2030
- 100% Carbon Free by 2045

SB350

- 65% of Renewable Energy must be from Long-Term (10yr or more) contracts

Procurement Orders

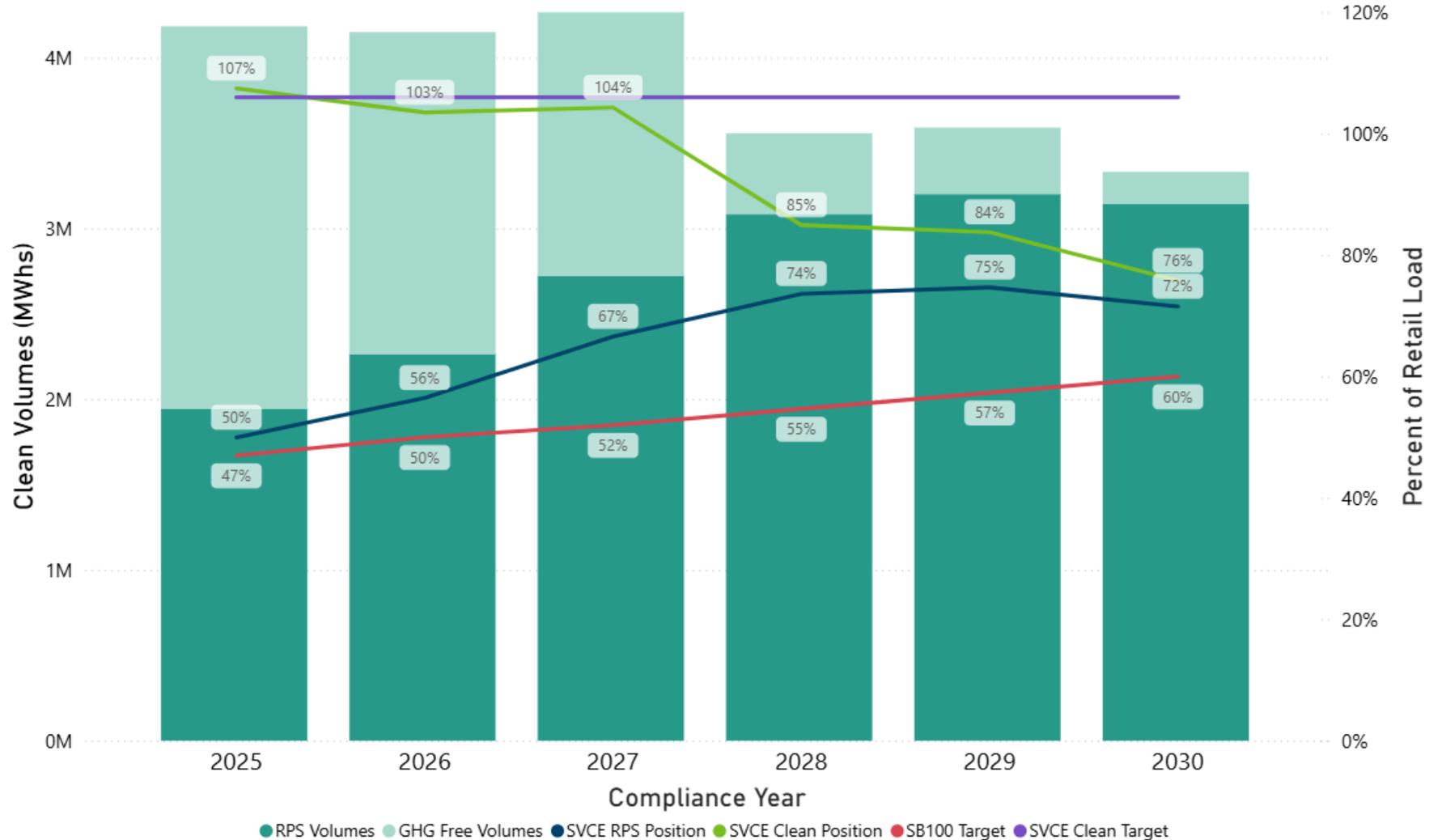
- Mid-Term Reliability
- Established by the CPUC to focus on securing sufficient online resources to meet expected demand in the coming few years

SVCE BOD

- 100% Clean – annually, with line losses
- 75% Renewable by 2030
- 100% Renewable by 2035 (adopted late 2024)



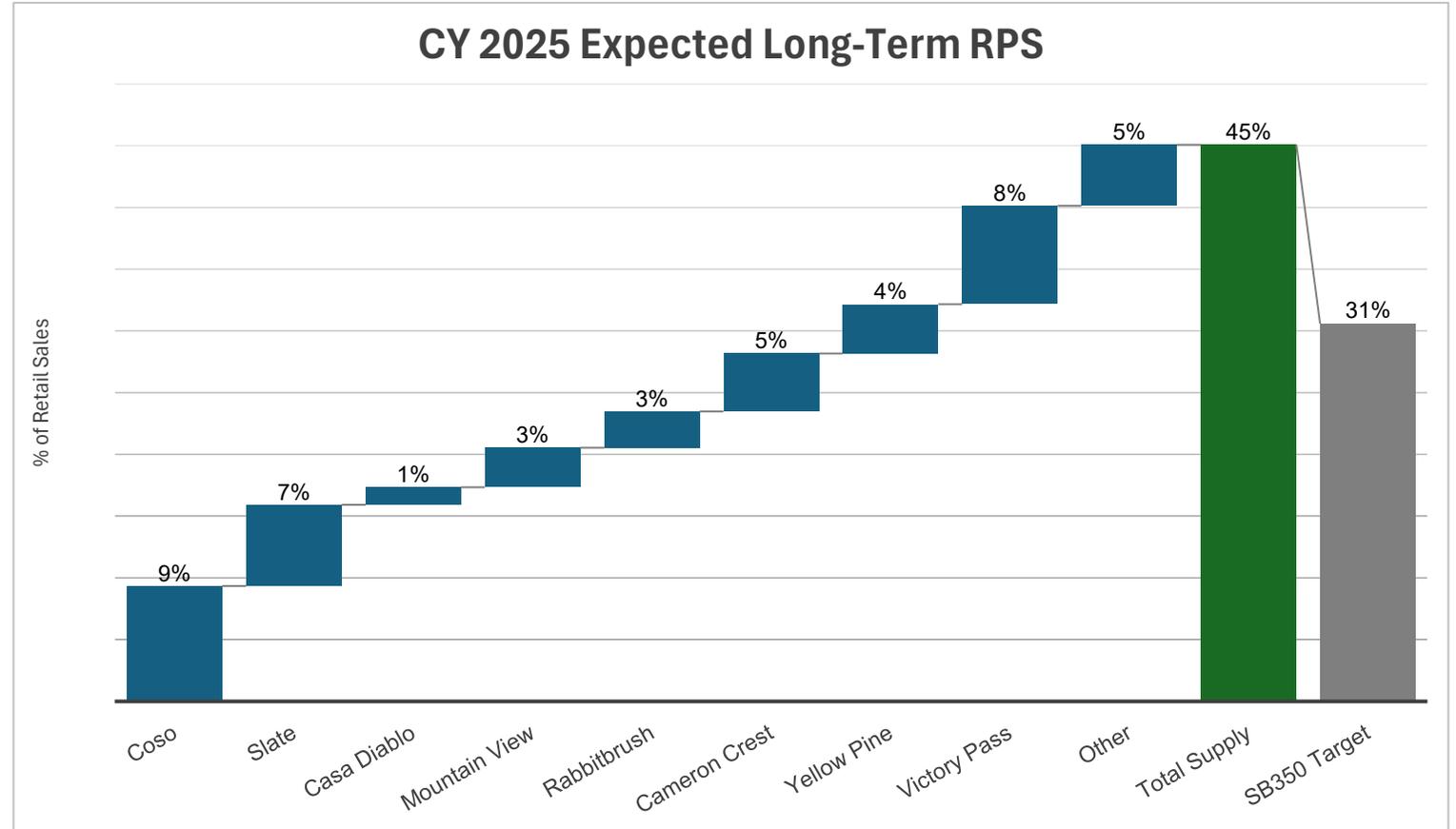
SVCE is On Track to Meet SB100 and Agency Goals for Clean and RPS...





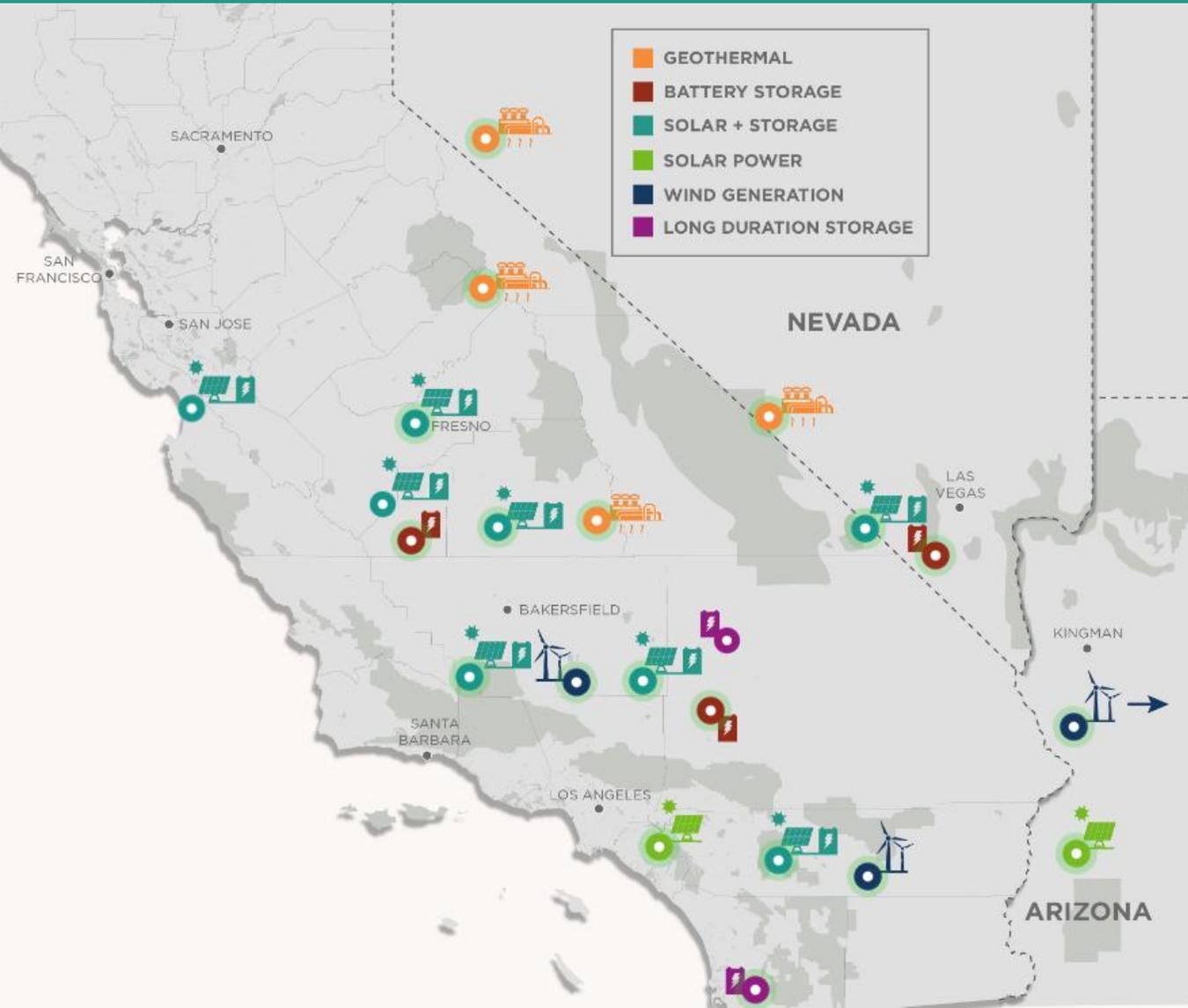
And Making Significant Progress Toward Meeting Long-Term RPS Targets

SB350 is a multi-year compliance period obligation, which has interim annual targets



- **Currently in Compliance Period 5: 2025-2027**

Long-Term Power Purchase Agreements



- \$4.1B+ in commitments
- 26 PPAs signed
 - 23 new build projects
- 1,000+ MW of Renewable Power
- 2,000+ MWh of Battery Storage
- 10 Projects now delivering to SVCE:
 - COSO geothermal - January 2022
 - Slate Solar + Storage – January 2022
 - Casa Diablo geothermal – July 2022
 - Mountain View wind – July 2022
 - Rabbitbrush Solar + Storage – October 2022
 - Terra-Gen Wind – January 2023
 - Yellow Pine Solar + Storage – July 2023
 - Victory Pass Solar + Storage – March 2024
 - Baldy Mesa Storage (RA-only) – June 2024
 - Hanford BESS – August 2025

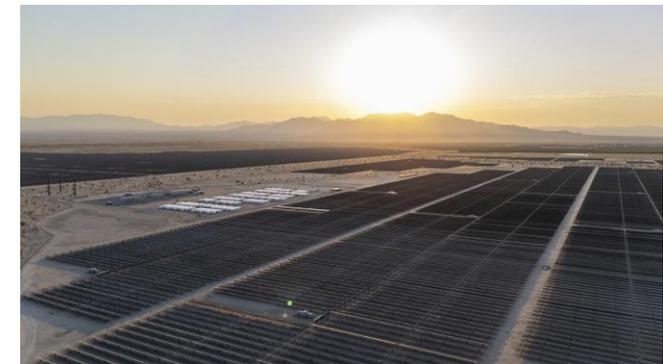


Long-Term Contracts: Online

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval
1	MN8	Slate	Solar + Storage	93	46.5	186	17	Oct-18
2	Ormat	Casa Diablo	Geothermal	7			10	Feb-20
3	Atlantica	Coso	Geothermal	43.8			15	Mar-20
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	15	Apr-20
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	20	May-20
6	AES	Mountain View	Wind	33.3			20	Apr-21
7	Clearway	Victory Pass	Solar + Storage	100	25	100	15	May-21
8	Terra-Gen	Cameron Crest	Wind	77.7			15	May-21
9	AES	Baldy Mesa (RA-only)	Storage	0	75	300	10	Sep-22
10	Middle River Power	Hanford	Thermal + BESS	99.4	131.4	131.4	12	Apr-23



Casa Diablo Geothermal



Victory Pass Solar + Storage

Long-Term Contracts: In Development

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Status
1	Avantus	Aratina	Solar + Storage	80	50	200	20	Jun-20	Construction
2	SB Energy	Angela	Solar + Storage	20	10	40	15	Mar-21	Construction
3	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	15	Apr-21	Pre-construction
4	Rev Renewables	Tumbleed	Long Duration Storage	0	15.9375	127.5	15	Feb-22	Construction
5	Ormat	Geothermal Portfolio	Geothermal	16.75			20	Jun-22	Pre-construction
6	OME	Fish Lake	Geothermal	1.82			20	Jun-22	Pre-construction
8	NextEra	Grace	Solar	120			15	Aug-23	Pre-construction
9	NextEra	Yellow Pine III	Storage	0	24	96	15	Aug-23	Pre-construction
10	NextEra	Yellow Pine III	Long Duration Storage	0	9	72	15	Apr-25	Pre-construction
11	Pattern	SunZia South	Wind	70.2			15	Nov-23	Construction
12	Pattern	SunZia North	Wind	29.8			15	Nov-23	Construction
13	VCI Energy	Garden Green Solar	Solar + Storage	50	50	200	10	Oct-24	Pre-construction
14	Pattern	SunZia South Incremental	Wind	17.54			10	May-25	Construction
15	Pattern	SunZia North Incremental	Wind	7.46			10	May-25	Construction
16	Intersect Power	Darden III	Solar + Storage	91.48	91.48	365.92	15	Sep-25	Pre-construction



SunZia Wind & Transmission



Clean Energy Resources Online Progress as of February 27, 2026

2025

- San Luis West Solar + Storage: *Pre-construction - delayed*

2026

- SunZia N/S Wind and Incremental N/S Wind: *Construction mode; possible COD in April*
- Angela Solar + Storage: *Construction mode; possible COD in May*
- Tumbleweed LDS: *Construction mode; possible COD in June*
- Aratina Solar + Storage: *Construction mode; possible COD in June*

2027

- Fish Lake Geothermal: *Pre-construction*
- Grace Solar: *Pre-construction*
- Ormat Geothermal Portfolio: *Pre-construction*

2028+

- Yellow Pine III Storage: *Pre-construction*
- Yellow Pine III LDS: *Pre-construction*
- Darden: *Pre-construction*
- Garden Green Solar: *Pre-construction*

THANK YOU!



SVCE Legislative and Regulatory Update

March 11, 2026



Policy Updates

Regulatory Update:

1. Demand Response
2. Timely Energization

Legislative Update:

1. SVCE's Bill Positions
2. 2026 Legislative Calendar



Regulatory Update



Key Regulatory Activities

Activity	Purpose	Status
Demand Response (R. 25-09-004)	To enhance Demand Response in California	A Scoping Memo setting the schedule for the Demand Response proceeding has been issued. The judge ruled that the case will split into two issue tracks. Track 1 will cover Issue 1, determining bridge year funding for the Investor Owned Utilities Demand Response (DR) programs. The CPUC previously approved funding for DR programs through 2027 and Investor Owned Utilities requested a bridge year of funding while DR valuation and other DR policies are deliberated. The second track, covering Issues 2-5, will determine standardized data systems, approve guiding principles for DR policy, and evaluate all other policy issues to make demand response resources more consistent, predictable, reliable, and cost-effective. These policy issues include dual enrollment, valuation methods and evaluation metrics, Resource Adequacy value, CAISO market integration, and cost-effectiveness. Both tracks are expected to have final decisions voted out by the end of 2026. SVCE plans to engaged in the case, coordinating with CalCCA.
Timely Energization (R. 24-01-018)	To establish energization timelines	A final decision (D. 26-02-025) was issued in the Timely Energization case, establishing a Standard Offer for Flexible Service Connections to be used as bridging solutions. A Flexible Service Connection allows a customer who is waiting for a distribution grid upgrade to use more power when the expected grid conditions indicate that it will be safe for them to use this power. SVCE supports the implementation of Flexible Service Connections because they allow the customer to receive service earlier than they would normally be able to if they had to wait for the distribution grid upgrade to be completed. D. 26-02-025 ordered Pacific Gas & Electric Company and Southern California Edison to establish a tariffed Standard Offering Flexible Service Connection Form Agreement and report data on flexible service connections in the biannual energization report. (San Diego Gas & Electric has no requirement to do so because it does not have significant upstream capacity constraints on its distribution grid.)



Key Regulatory Activities

Activity	Purpose	Status
Integrated Resource Planning (R.25-06-019)	Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes	<p>On February 26th the Commission voted out an order for an additional 6,000 MW of net qualifying capacity ("NQC") to be procured by load serving entities ("LSE") such as SVCE. This order broadly follows the rules and standards of prior procurement orders. Though the original proposed decision placed a cap on the total quantity of storage an LSE could procure, that cap was subsequently removed in a revised proposed decision. However, the order now requires that 25% of the capacity come from long duration energy storage and/or geothermal resources.</p> <p>Additionally, due to a change in the forecast for setting the allocation, SVCE's total share of 6,000 MW has increased from 125 MW to 135 MW net qualifying capacity ("NQC"). SVCE is required to bring on 45 MW NQC per year in 2030, 2031 and 2032, respectively.</p>



Legislative Update



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy	Status
AB 1761 (Rogers)	Requires CPUC to share all data used in calculation of the Power Charge Indifference Adjustments to CCAs and other stakeholders.	Support	Affordability and Rates	Assembly Energy Committee
SB 1138 (Padilla)	Requires CPUC to allow load-serving entities to trade Resource Adequacy compliance obligations.	Support	Affordability and Rates	Senate Energy Committee



Key 2026 State Legislative Milestones

- ~~• January 5 – Legislature Reconvenes~~
- ~~• January 31 – Last day for each house to pass bills introduced in that house in 2025~~
- ~~• February 20 – Last day for bills to be introduced~~
- April 24 – Last day for policy committees to hear fiscal bills
- May 15 – Last day for fiscal committees to hear bills introduced in that house
- May 29 – Last day for each house to pass bills introduced in that house
- June 15 – Budget bill must pass by midnight
- July 2 – Last day for policy committees to vote on bills
- August 14 – Last day for fiscal committees to vote on bills
- August 31 – Last day for each house to pass bills
- September 30 – Last day for Governor to sign bills
- November 3 – Statewide General Election



Staff Report – Item 3

Item 3: Receive Financial Audit Results and Accept the Findings from the Independent Auditor

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO
Karen Chang, Manager of Finance

Date: 3/11/2026

RECOMMENDATION

Receive the Year-End Financial Statements and the Independent Auditor’s Report for the Fiscal Year 2024-25.

AUDIT COMMITTEE RECOMMENDATION

At the March 3rd, 2026, meeting of the Audit Committee, committee members received a presentation by the Independent Auditor discussing the status of the audit and the auditor’s opinion. The Audit Committee also received the Annual Audited Financials, the Letter of Significant Deficiencies or Material Weaknesses Identified, and the Audit Report to the Board of Directors. The Audit Committee voted unanimously that the Board of Directors accept the Audit Findings.

BACKGROUND

In accordance with Financial Policy #1 (FP-01), Accounting Policy, the annual audit of the financial statements has been completed, and the report prepared by Sorren CPAs, P.C. (formerly Kosmatka Donnelly & Co., LLP) has been issued to the Agency. The auditors have issued an unmodified opinion, a “clean opinion,” indicating that the financial statements are materially accurate. The auditors also reported that no significant deficiencies or material weaknesses in internal controls were identified.

At the March 12, 2025, Board of Directors meeting, the Board established a Rate Stabilization Fund in accordance with the Governmental Accounting Standards Board¹ (GASB) Standard 62. GASB 62 is an accounting method available to government entities that allows SVCE to recognize revenues set aside for certain costs in the same period as the expenses are incurred. This implementation, for example, allows SVCE to defer revenues to a Rate Stabilization Fund for “earmarked funds,” such as those for customer decarbonization programs that the Board has funded but have not yet been spent. It affects the reporting of the net position in the financial statement by decreasing it for the amount of deferred revenues, such as \$100 million for Fiscal Year 2024-25, and increasing it for the future year(s) when those revenues are recognized.

At the November 24, 2025, Finance and Administration Committee meeting, staff discussed the plan for the first implementation of GASB 62 for the fiscal year 2024-25. With an expected earmarked funds balance of approximately \$106 million, staff discussed deferring \$100 million in revenues to the Rate Stabilization Fund and noted that the implementation would result in a net position change of \$22 million rather than \$122 million.

¹ The Governmental Accounting Standards Board (GASB) is the organization that determines and updates generally accepted accounting principles (GAAP) for government entities.

Agenda Item: 3**Agenda Date: 3/11/2026****Basic Financial Statements**

The Statements of Net Position present information about assets and liabilities, deferred inflows of resources, and the net position provides information about the nature and amounts of resources and obligations at a specific point in time.

The Statements of Revenues, Expenses, and Changes in Net Position report all of SVCE's revenue and expenses for the years shown.

The Statement of Cash Flows reports the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.

The Notes to the Basic Financial Statements provide additional details about the Basic Financial Statements.

ANALYSIS & DISCUSSION

The following represents highlights as of September 30, 2025:

- Total assets were \$691 million, with \$463 million of current assets. Current assets are comprised of \$381 million in cash and investments, \$23 million in accounts receivable, \$31 million in accrued revenue, \$26 million in other receivables, and about \$2 million in other categories, such as restricted cash. The total of current assets increased during the fiscal year, primarily due to SVCE's operating surplus.
- Noncurrent assets include investments of \$214 million and capital assets net of depreciation and amortization of \$14 million.
- Total liabilities were \$84 million. Current liabilities of \$75 million consist primarily of the cost of electricity delivered to customers that SVCE has not paid as of September 30, 2025. Noncurrent liabilities of \$9 million consist mostly of supplier security deposits provided as cash, rather than letters of credit.
- Total operating revenues were \$372 million, primarily from the sale of carbon-free electricity. Operating revenues declined from fiscal year 2024 to 2025 mainly because of a \$100 million deferral to the rate stabilization fund under GASB 62, and a secondary factor was a decrease in rates charged to customers, including the impact of one-time summer bill credits.
- Investment income of \$23 million, reported as nonoperating revenue, results from the funds invested per SVCE's investment policy and the market rates of returns on the funds from changes in the interest rates.
- Total expenses were \$373 million. SVCE's largest expense is the cost of electricity, at \$332 million, inclusive of all power supply portfolio compliance products. This expense fluctuates each year primarily due to market forces that affect the prices paid.

STRATEGIC PLAN

This report supports 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

There is no alternative to this recommendation, as Board Policy FP1 requires the financial audit.

FISCAL IMPACT

During Fiscal Year 2024-25, SVCE's change in net position was \$22 million, with \$100 million in revenues deferred to the rate stabilization fund.

SVCE's Auditors, Sorren CPAs, P.C., (previously Kosmatka Donnelly & Co., LLP) issued an unqualified ("clean") opinion on the Agency's financials for the fiscal year ended September 30, 2025.

ATTACHMENTS

1. Audited Financials for the fiscal year ended September 30, 2025
2. Letter of Significant Deficiencies or Material Weaknesses
3. Audit Report to the Board of Directors & SVCE Representation Letter

Silicon Valley Clean Energy Authority

Financial Statements
Years Ended:

September 30, 2025
September 30, 2024

With Report of Independent Auditors



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Independent Auditor's Report

To the Board of Directors
Silicon Valley Clean Energy Authority

Opinion

We have audited the accompanying financial statements of Silicon Valley Clean Energy Authority (SVCE), which comprise the statements of net position as of September 30, 2025 and 2024, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SVCE as of September 30, 2025 and 2024, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SVCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCE's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVCE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Independent Auditor's Report (continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sorren CPAs P.C.

Santa Rosa, California
February 23, 2026

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about Silicon Valley Clean Energy Authority's (SVCE) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of SVCE's finances. SVCE's fiscal year runs from October 1 through September 30.

If you have any questions about this report or require additional financial information, please contact SVCE at 333 W. El Camino Real, #330, Sunnyvale, CA 94087 or contact info@svcleanenergy.org.

Overview of the Financial Statements

SVCE's financial report contains basic financial statements:

- The *Statements of Net Position* include all of SVCE's assets, liabilities, deferred inflows of resources and net position and provide information about the nature and amounts of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of SVCE's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Financial Summary

SVCE's Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$462,846,816	\$420,352,985	\$376,699,458
Noncurrent assets:			
Capital assets, net	13,833,351	761,171	1,259,365
Other noncurrent assets	214,086,188	150,052,998	56,864,643
Total noncurrent assets	<u>227,919,539</u>	<u>150,814,169</u>	<u>58,124,008</u>
Total assets	<u>690,766,355</u>	<u>571,167,154</u>	<u>434,823,466</u>
Current liabilities	74,539,649	70,667,155	86,003,663
Noncurrent liabilities	9,093,302	15,303,125	24,283,988
Total liabilities	<u>83,632,951</u>	<u>85,970,280</u>	<u>110,287,651</u>
Deferred inflows of resources	100,000,000	-	-
Net position			
Net investment in capital assets	12,686,148	358,431	348,144
Restricted	1,242,049	-	-
Unrestricted	<u>493,205,207</u>	<u>484,838,443</u>	<u>324,187,671</u>
Total net position	<u>\$507,133,404</u>	<u>\$485,196,874</u>	<u>\$324,535,815</u>

As of September 30, 2025, SVCE's total net position was approximately \$507,000,000, an increase of \$22,000,000 or 5% as compared to September 30, 2024. Refer to the detailed analysis discussion in the following section for the changes in the various components.

SVCE's Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 371,682,878	\$ 534,489,788	\$ 503,675,151
Nonoperating revenues	23,242,267	23,348,067	9,262,831
Total revenues	<u>394,925,145</u>	<u>557,837,855</u>	<u>512,937,982</u>
Operating expenses	372,912,015	397,162,572	401,057,113
Nonoperating expenses	76,600	14,224	28,576
Total expenses	<u>372,988,615</u>	<u>397,176,796</u>	<u>401,085,689</u>
Change in net position	<u>\$ 21,936,530</u>	<u>\$ 160,661,059</u>	<u>\$ 111,852,293</u>

The primary reason for the decline in operating revenues from fiscal year 2024 to 2025 was the deferral of \$100,000,000 to a rate stabilization fund. The cost of electricity, a component of operating expenses, decreased approximately 8% from fiscal year 2024 to fiscal year 2025 due to changes in volume and market prices. See the following section for a detailed discussion.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Detailed Analysis

Current assets increased from \$420,000,000 at the end of fiscal year 2024 to \$463,000,000 at the end of fiscal year 2025. This increase was due to operating surpluses as well as the timing in paying operating expenses. Current assets at the end of fiscal year 2025 were primarily comprised of cash and investments of \$381,000,000, accounts receivable of \$23,000,000, accrued revenue of \$31,000,000 and other receivables of \$26,000,000.

Capital assets are reported net of depreciation and amortization. Each year, the change is mostly due to capital asset acquisitions, less depreciation and amortization expense. Capital assets include leasehold improvements, furniture and equipment, a vehicle, a lease asset related to SVCE's office premises and subscription-based information technology arrangements.

Other noncurrent assets include investments of \$214,000,000 and \$150,000,000 at the end of fiscal years 2025 and 2024, respectively.

The largest component of current liabilities is the cost of electricity delivered to customers that was not yet paid by SVCE by the end of the fiscal year. Current liabilities for the cost of energy fluctuated each year due to changes in payment terms of certain energy products, as well as the prices of those products. Accrued cost of electricity was approximately \$67,000,000 and \$64,000,000 at the end of fiscal years 2025 and 2024, respectively.

Noncurrent liabilities primarily consist of supplier security deposits held by SVCE as collateral.

Operating revenues increased from fiscal years 2023 to 2024, primarily due to higher rates charged to customers. The largest cause in the decline in operating revenues from fiscal years 2024 to 2025 was the deferral of \$100,000,000 to a rate stabilization fund. A secondary factor was a decrease in rates charged to customers, including the impact of various bill credits. SVCE also earns operating revenues from sources other than retail customer sales, including liquidated damages related to electricity suppliers' noncompliance with contractual provisions which increased by \$13,000,000 from 2024 to 2025.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Detailed Analysis (continued)

Investment income is included in nonoperating revenue and increased from 2023 to 2025 due to changes in market interest rates as well as increases in invested assets.

Operating expenses fluctuated each year primarily due to market forces that affect the cost of electricity, SVCE's largest expense. SVCE procures energy from a variety of sources to reduce market risk and to maintain a balanced renewable power portfolio. The decrease in energy costs each year was mainly the result of reductions in certain market prices.

Significant Capital Asset and Long-Term Financing Activity

SVCE does not own assets used for electric generation or distribution. Capital assets consist primarily of office equipment, including computers and furniture, a vehicle, leasehold improvements, a right-to-use lease asset related to office premises, and subscription assets related to information technology software.

Assets obtained through leasing or subscription arrangements, such as office facilities and computer software, are recorded in the Statements of Net Position as capital assets, along with corresponding lease or subscription liabilities representing SVCE's future payment obligations.

During fiscal year 2025, SVCE purchased an office building for \$11,500,000 and acquired subscription assets subject to Governmental Accounting Standards Board (GASB) Statement No. 96 totaling \$2,100,000.

Currently Known Facts, Decisions, or Conditions

SVCE serves approximately 96% of all eligible customers in the service area, and that participation rate is expected to remain stable in 2026.

SVCE procures energy in accordance with its Board-approved Energy Risk Management Policy, which aligns customer demand for clean energy with short and long-term purchases of clean energy resources. SVCE complies with state laws and its own targets for renewable and greenhouse gas (GHG) free energy. California's Renewable Portfolio Standard (RPS) requires load-serving entities, such as SVCE, to supply their retail sales with minimum quantities of eligible renewable energy annually and through long-term commitments of more than ten years. The state has also directed load-serving entities (LSEs) to procure new clean energy and capacity resources to meet grid reliability goals. 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 GHG-free resources by 2045. Senate Bill 1020 sets interim clean targets of 90% and 95% by 2035 and 2040. SVCE's current policy is to procure 100% of retail sales, adjusted for transmission and distribution losses, from GHG-free resources.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Currently Known Facts, Decisions, or Conditions (continued)

SVCE has executed 26 RPS contracts of ten years or more meeting its RPS requirements for long-term procurement. SVCE is on the path to meeting its requirements as ordered by the California Public Utilities Code (CPUC) under the Mid-term Reliability Procurement decision (D.21-06-035).

In the fiscal year ending September 30, 2025, SVCE's retail load increased by about 2% from the prior fiscal year to 3.98 Terrawatt-hours (TWhrs). SVCE expects retail load to remain largely similar in 2026. Over the following ten years, SVCE expects the load to grow by about 2% per year. The forecast also incorporates load-modifying effects of increasing electric vehicle adoption and charging, behind-the-meter solar and/or storage (via net energy metering), and energy efficiency. SVCE's long-term load forecast is driven primarily by the number and types of customers. SVCE's planning accounts for the expected load growth from the transportation, and building electrification sectors. While SVCE's current forecast does not include incremental data center loads, SVCE is actively monitoring data center developments in its service territory and expects to include these loads in future forecasts.

In 2019, the Board of Directors approved a Commercial Pricing Policy that allows SVCE to offer innovative customized contract offerings to customers that support long-term customer retention. SVCE has signed long-term arrangements with two major customers for customized power supply offerings and is working with additional prospective customers.

SVCE expects to continue to provide competitive electric rates. Uncertainties including volatile energy prices and the variability of the power charge indifference adjustment (the "PCIA") can be barriers to providing stable rates. The PCIA is a fee charged by investor-owned utilities (IOUs) to all customers to ensure indifference between bundled and unbundled customers in paying for assets procured by IOUs on behalf of their customers before unbundled customers departed (for example, to a CCA or Direct Access provider). For SVCE, the PCIA is calculated by determining the market value of PG&E's portfolio for assets procured in 2017 or prior. SVCE's customers pay a proportionate share of the net costs incurred for that legacy portfolio. As of January 2026, SVCE has set its discount relative to PG&E's generation service to 1 percent. SVCE continues to advocate in legislative and regulatory proceedings that impact rates (e.g., procurement mandates, load management standards, and reliability proceedings).

**SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

Currently Known Facts, Decisions, or Conditions (continued)

SVCE’s commitment to building sufficient cash reserves has positioned SVCE in a stable position to manage risks, such as those from volatile energy prices and future regulatory and legislative changes. These reserves ensure it can continue serving customers even during times of financial stress, such as when energy costs are highly volatile. Risk event analyses, also known as stress tests in the industry, evaluate how extreme yet plausible scenarios could deplete reserves. These tests provide valuable insight for shaping fiscal year budgets and reserve targets to help mitigate the impact of potential risks. They can also ensure that SVCE remains resilient in different scenarios and help guide the development of the agency’s strategic plan. Risks include market price fluctuations, revenue volatility, counterparty credit and performance, load and generation fluctuations, operational and financial liquidity volatility, and regulatory and legislative changes.

SVCE is committed to investing funds not needed for operations or to meet reserve requirements into our communities through lower rates and customer and community decarbonization programs that disperse funds through rebates, scholarships, services, and grants. As of the Fiscal year ending September 30, 2025, SVCE has approximately \$100,000,000 in remaining earmarked funds towards these decarbonization programs. Nearly all of SVCE’s currently planned customer programs have been implemented and are available to customers. SVCE continues to work on marketing and increasing customer adoption, an activity that takes time and will stretch out the disbursement of these funds over many years. Yearly fund disbursements have increased and are expected to continue growing in the coming years, driven by accelerated customer adoption of these programs.

SVCE strongly focuses on building credit capacity through increased cash reserves, compliance with the energy risk management policy and credit guidelines, and favorable energy purchase commitments. SVCE received an “A3” credit rating from Moody’s in the spring of 2025 and an “A” credit rating from S&P Global in May 2023; both agencies affirmed a stable outlook for SVCE.

BASIC FINANCIAL STATEMENTS

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	\$ 314,494,997	\$ 261,473,872
Accounts receivable, net of allowance	23,094,020	43,061,445
Accrued revenue	31,097,074	29,579,485
Other receivables	25,973,973	16,224,969
Prepaid expenses	846,007	843,135
Deposits	873,380	709,798
Investments	65,225,316	68,460,281
Cash equivalents - restricted	1,242,049	-
Total current assets	<u>462,846,816</u>	<u>420,352,985</u>
Noncurrent assets		
Deposits	-	45,130
Investments	214,086,188	150,007,868
Capital assets, net of depreciation and amortization	13,833,351	761,171
Total noncurrent assets	<u>227,919,539</u>	<u>150,814,169</u>
Total assets	<u>690,766,355</u>	<u>571,167,154</u>
LIABILITIES		
Current liabilities		
Accrued cost of electricity	66,947,740	64,433,952
Accounts payable	2,540,151	1,770,065
Other accrued liabilities	2,824,329	2,006,073
User taxes and energy surcharges due to other governments	1,695,403	1,679,325
Supplier security deposits	-	375,000
Information technology subscription liability	532,026	-
Lease liability	-	402,740
Total current liabilities	<u>74,539,649</u>	<u>70,667,155</u>
Noncurrent liabilities		
Information technology subscription liability	615,177	-
Supplier security deposits	8,478,125	15,303,125
Total noncurrent liabilities	<u>9,093,302</u>	<u>15,303,125</u>
Total liabilities	<u>83,632,951</u>	<u>85,970,280</u>
DEFERRED INFLOWS OF RESOURCES		
Rate stabilization	<u>100,000,000</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	12,686,148	358,431
Restricted for security collateral	1,242,049	-
Unrestricted	493,205,207	484,838,443
Total net position	<u>\$ 507,133,404</u>	<u>\$ 485,196,874</u>

The accompanying notes are an integral part of these financial statements.

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Electricity sales, net	\$ 455,071,307	\$ 530,672,320
GreenPrime electricity premium	2,433,491	2,498,428
Revenue directed to Rate stabilization Fund	(100,000,000)	-
Liquidated damages	14,178,080	1,319,040
Total operating revenues	<u>371,682,878</u>	<u>534,489,788</u>
OPERATING EXPENSES		
Cost of electricity	332,442,316	361,542,484
Contract services	14,950,645	14,235,827
Staff compensation and benefits	14,759,730	12,525,043
Program incentives	6,991,805	5,480,456
Other operating expenses	2,598,177	2,739,490
Depreciation and amortization	1,169,342	639,272
Total operating expenses	<u>372,912,015</u>	<u>397,162,572</u>
Operating income (loss)	<u>(1,229,137)</u>	<u>137,327,216</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	23,242,267	23,348,067
Interest expense	(76,600)	(14,224)
Nonoperating revenues (expenses), net	<u>23,165,667</u>	<u>23,333,843</u>
CHANGE IN NET POSITION	21,936,530	160,661,059
Net position at beginning of year	<u>485,196,874</u>	<u>324,535,815</u>
Net position at end of year	<u>\$ 507,133,404</u>	<u>\$ 485,196,874</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 484,331,956	\$ 549,801,243
Receipts of liquidated damages	9,178,080	1,216,500
Receipts of wholesale sales	17,221,635	16,698,525
Receipts of deposits and collateral	10,526,003	34,647,876
Payments to suppliers for electricity	(356,382,938)	(402,997,262)
Payments of security deposits	(12,705,000)	(18,875,780)
Payments for other goods and services	(16,761,469)	(17,361,411)
Payments for program incentives	(6,894,510)	(5,362,016)
Payments for staff compensation	(14,294,022)	(12,352,507)
Payments of taxes and surcharges to other governments	(8,361,248)	(8,997,384)
Net cash provided by operating activities	105,858,487	136,417,784
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease	(406,293)	(522,705)
Payments of subscription asset	(1,045,883)	-
Purchases of capital assets	(11,892,791)	(151,584)
Net cash used by capital and related financing activities	(13,344,967)	(674,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	20,774,075	22,096,463
Proceeds from investment sales	154,848,339	54,494,824
Purchase of investments	(213,872,760)	(181,555,415)
Net cash used by investing activities	(38,250,346)	(104,964,128)
Net change in cash and cash equivalents	54,263,174	30,779,367
Cash and cash equivalents at beginning of year	261,473,872	230,694,505
Cash and cash equivalents at end of year	\$ 315,737,046	\$ 261,473,872
Reconciliation to the Statements of Net Position		
Cash and cash equivalents - unrestricted	\$ 314,494,997	\$ 261,473,872
Cash equivalents - restricted	1,242,049	-
Total cash and cash equivalents	\$ 315,737,046	\$ 261,473,872

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

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

	<u>2025</u>	<u>2024</u>
Operating income (loss)	\$ (1,229,137)	\$ 137,327,216
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization expense	1,169,342	639,272
(Increase) decrease in:		
Accounts receivable, net of allowance	19,967,424	6,827,948
Accrued revenue	(1,517,589)	852,637
Other receivables	(9,126,451)	(10,833,628)
Prepaid expenses	(219,678)	510,042
Deposits	(91,747)	24,892,681
Increase (decrease) in:		
Accrued cost of electricity	2,513,788	(14,170,580)
Accounts payable	758,201	(1,077,173)
Other accrued liabilities	818,256	719,969
User taxes and energy surcharges due to other governments	16,078	(47,475)
Supplier security deposits	(7,200,000)	(9,223,125)
Rate stabilization fund	100,000,000	-
Net cash provided by operating activities	<u>\$ 105,858,487</u>	<u>\$ 136,417,784</u>
NONCASH INVESTING ACTIVITIES		
Change in fair value of investments	\$ 1,845,638	\$ 1,329,911
Change in interest receivable	\$ 622,554	\$ (78,307)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of subscription assets	\$ 2,120,039	\$ -

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Silicon Valley Clean Energy Authority (SVCE) is a Joint Powers Authority created on March 31, 2016. As of September 30, 2025, parties to its Joint Powers Agreement consist of the following local governments:

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

SVCE is separate from and derives no financial support from its members. SVCE is governed by a Board of Directors whose membership is composed of elected officials representing the member governments.

SVCE was formed to study, promote, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other necessary and incidental powers to accomplish these objectives. The core function of SVCE is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

SVCE began its energy delivery operations in April 2017. Electricity is acquired from electricity suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company (PG&E).

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

SVCE's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

SVCE's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – net investment in capital assets, restricted, and unrestricted.

When both restricted and unrestricted resources are available for use, SVCE's policy is to utilize restricted resources first, and then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, SVCE defines cash to include cash on hand, demand deposits, money market funds, and short-term investments with an original maturity of three months or less.

ACCRUED REVENUE

Accrued revenue reflects the estimated value of electricity delivered to customers during the reporting period for which invoices had not been issued by the end of the fiscal year.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENTS

Investments are stated at fair value based on prices listed on a national exchange for debt securities. Certificates of deposits are stated at cost. SVCE intends to hold its securities to maturity. Investments with a maturity of less than one year are shown as current assets in the Statements of Net Position. Investments with a maturity of one year or more are shown as noncurrent assets in the Statements of Net Position.

SVCE’s Investment Policy permits the following types of investments:

U.S. Treasury obligations	Medium term notes
U.S. Agency obligations	Negotiable certificates of deposits
Municipal obligations	Asset-backed securities
Deposits at banks	Supranational obligations
Local Agency Investment Fund	Joint power authority pool
Commercial paper	Money market funds
Placement Service Deposits	

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require SVCE to provide the supplier with advance payments or security deposits. Deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding.

LEASE ASSET AND LEASE LIABILITY

SVCE recognizes an asset and liability when it enters into certain leasing arrangements. The leased asset is amortized over the term of the lease. The lease liability is the present value of payments expected to be paid to the lessor during the lease term. SVCE’s leased asset and liability relate to its office premises.

SUBSCRIPTION-BASED ASSET AND SUBSCRIPTION-BASED LIABILITY

SVCE recognizes an asset and liability when it enters into certain subscription-based information technology arrangements (SBITA). The SBITA asset is amortized over the term of the arrangement. The SBITA liability is the present value of payments expected to be paid to the vendors during the term of the arrangements. The liability is categorized as information technology subscription liability in the Statements of Net Position.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS AND DEPRECIATION

SVCE's policy is to capitalize furniture and equipment valued at over \$5,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, five years for automobiles, seven years for furniture, and generally between two to five years for capitalizable software depending on the expected period of benefit. SVCE does not own any electric generation assets.

SUPPLIER SECURITY DEPOSITS

Various energy contracts require the supplier to provide SVCE with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

RATE STABILIZATION FUND

In fiscal year 2025, Silicon Valley Clean Energy (SVCE) established a Rate Stabilization Fund (RSF), which is reported in accordance with GASB Statement No. 62. The RSF is intended to defer revenues related to Board-approved budgetary amounts for which the related expenditures may occur in fiscal years beyond those in which the revenues are budgeted. The RSF is primarily intended to support customer decarbonization programs but may also be used for other long-term purposes approved by the Board, such as the acquisition of administrative facilities.

Revenues may be deferred to the RSF to the extent that the annual change in net position does not fall below 2 percent of revenues. Deferred amounts are recognized as revenue in future periods to align with the timing of related expenditures or in periods in which the annual change in net position would otherwise fall below the established threshold. Amounts transferred to the RSF are reported as a reduction of operating revenues and as a deferred inflow of resources on the statements of net position. During fiscal year 2025, SVCE transferred \$100,000,000 to the RSF.

NET POSITION

Net position is presented in the following components:

Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by liabilities attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of net position consists of net assets subject to external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or by constraints imposed through constitutional provisions or enabling legislation.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION (CONTINUED)

Unrestricted: This component of net position consists of net position that does not meet the definition of “investment in capital assets” or “restricted.”

OPERATING AND NONOPERATING REVENUE

Operating revenues include energy sales to retail customers, and liquidated damages from suppliers that fail to meet delivery commitments. Investment income and grants that are not earned from the delivery of program activities are considered “nonoperating revenues.”

REVENUE RECOGNITION

SVCE recognizes revenue according to the accrual basis. This includes invoices issued to customers during the reporting period and estimated amount of electricity delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs related to providing electricity to customers, delivering program services, and general and administrative functions. Operating expenses are expenses other than nonoperating expenses. Nonoperating expenses include expenses relating to financing.

COST OF ELECTRICITY

During the normal course of business SVCE purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers and for generation credits, load and other charges arising from SVCE’s participation in the California Independent System Operator’s (CAISO) centralized market. The cost of electricity and capacity is recognized as “Cost of Electricity” in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California’s Renewable Portfolio Standards (RPS) and self-imposed benchmarks, SVCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System. SVCE obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. An expense is recognized at the point that the cost of the Certificate is due and payable to the supplier. SVCE purchases capacity commitments from qualifying electricity generators to comply with the California Energy Commission’s Resource Adequacy (RA) Program. The goals of the RA Program are to provide sufficient resources to CAISO to ensure the safe and reliable operation of the electricity grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAFFING COMPENSATION AND BENEFITS

SVCE pays employees bi-weekly and fully satisfies its obligation for health benefits and contributions to its defined contribution retirement plan. SVCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements.

SVCE provides compensated absences, including paid time off, which are accrued when earned and reported as part of accrued liabilities. The liability includes leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is measured using the employees' pay rates as of the financial statement date.

INCOME TAXES

SVCE is a joint powers authority under the provisions of the California Government Code and is not subject to federal or state income or franchise tax.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation of the current year's financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

2. CASH AND CASH EQUIVALENTS

SVCE maintains its cash in both interest-bearing and non-interest-bearing accounts. SVCE's deposits are subject to California Government Code Section 16521, which requires banks to provide collateral of 110% of account balances in excess of the \$250,000 insurance coverage by the Federal Deposit Insurance Corporation. Accordingly, the amount of risk is not disclosed. SVCE monitors its risk on an ongoing basis.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

3. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of September 30:

	<u>2025</u>	<u>2024</u>
Accounts receivable from customers	\$ 26,194,020	\$ 45,861,445
Allowance for uncollectible accounts	(3,100,000)	(2,800,000)
Net accounts receivable	<u>\$ 23,094,020</u>	<u>\$ 43,061,445</u>

The majority of account collections occur within the first few months following the issuance of customer invoices. SVCE estimates that a portion of the amounts invoiced will not be collected. SVCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, SVCE continues to be successful in collecting older accounts.

OTHER RECEIVABLES

Other receivables primarily consist of amounts due from energy counterparties, generally as a result of certain wholesale transactions for energy products.

4. INVESTMENTS

During the years ended September 30, 2025 and 2024, SVCE held investments with original maturities of three months or more. As of September 30, the fair value of investments was as follows:

	<u>2025</u>	<u>2024</u>	<u>Level</u>
U.S. Treasury bonds and notes	\$ 100,819,067	\$ 85,082,906	1
Supranational obligations	856,415	862,521	2
U.S. agency obligations	23,458,327	10,539,032	2
Corporate notes	73,885,763	42,194,852	2
Commercial paper	12,141,656	37,181,428	2
Certificate of deposits	13,704,552	9,228,478	2
Bank note	1,267,120	646,226	2
Asset-backed securities	53,178,604	32,732,706	2
Total investments	<u>\$ 279,311,504</u>	<u>\$ 218,468,149</u>	

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

4. INVESTMENTS (continued)

FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SVCE's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Certain investments, such as obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are considered to have no credit risk.

As of September 30, 2025 and 2024, all SVCE's investments were rated between A and AAA by at least one nationally recognized statistical ratings organization.

SVCE's investment policy addresses this risk by limiting investments to those allowed by Section 53601 of the California Government Code.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

4. INVESTMENTS (continued)

CUSTODIAL CREDIT RISK

Cash and cash equivalents

Concentration of credit risk is the potential loss associated with SVCE’s investment in a single issuer. SVCE manages this risk by diversifying its portfolio to ensure that reliance on any one issuer does not place an undue burden on SVCE.

As of September 30, 2025 and 2024, none of SVCE’s bank balances are known to be exposed to custodial credit risk.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SVCE would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. All of SVCE’s investments are exposed to custodial credit risk. SVCE’s investment policy addresses this risk. All investments owned by SVCE shall be held in safekeeping by a third-party custodian, acting as an agent for SVCE under the terms of a custody agreement.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. Duration is calculated as the weighted average time to receive a bond’s coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. SVCE manages its exposure to declines in fair values by limiting the weighted average maturity of its investments.

Following is a summary of the percentages of investments by maturity date as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
0 - 6 months	7.45%	11.99%
6 - 12 months	16.05%	19.36%
1 - 2 years	35.97%	28.88%
2 - 3 years	31.89%	31.02%
3 - 4 years	4.15%	5.27%
4 - 5 years	4.49%	3.48%
Over 5 years	0.00%	0.00%
Total	<u>100.00%</u>	<u>100.00%</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

4. INVESTMENTS (continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss to the magnitude of SVCE’s investment in a single issuer. SVCE manages the concentration of credit risk by diversifying its portfolio so that reliance on any one issuer will not place an undue burden on SVCE.

As of September 30, 2025 and 2024, SVCE’s investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>	
		<u>2025</u>	<u>2024</u>
Federal Home Loan Mortgage Corporation (Freddie Mac)	U.S. agency implicitly guaranteed	8.4%	4.82%

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets not being depreciated				
Building - not in service	\$ -	\$ 7,011,039	\$ -	\$ 7,011,039
Building - construction in progress	-	179,952	-	179,952
Land	-	4,490,517	-	4,490,517
Total capital assets not being depreciated	-	11,681,508	-	11,681,508
Capital assets being depreciated and amortized:				
Furniture and equipment	884,260	6,361	-	890,621
Leasehold improvements	149,974	-	-	149,974
Software	-	433,612	-	433,612
Subscription based information technology assets	-	2,120,041	-	2,120,041
Lease asset	2,287,125	-	-	2,287,125
Total capital assets being depreciated and amortized	3,321,359	2,560,014	-	5,881,373
Less accumulated depreciation and amortization:				
Furniture, equipment and leasehold improvements	(634,188)	(147,851)	-	(782,039)
Software	-	(127,533)	-	(127,533)
Subscription based information technology assets	-	(532,832)	-	(532,832)
Lease asset	(1,926,000)	(361,126)	-	(2,287,126)
Total accumulated depreciation and amortization	(2,560,188)	(1,169,342)	-	(3,729,530)
Total capital assets, net of depreciation and amortization	<u>\$ 761,171</u>	<u>\$ 13,072,180</u>	<u>\$ -</u>	<u>\$ 13,833,351</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

5. CAPITAL ASSETS (continued)

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets being depreciated and amortized:				
Furniture and equipment	\$ 758,883	\$ 129,051	\$ (3,674)	\$ 884,260
Leasehold improvements	134,273	15,701	-	149,974
Lease asset	2,287,125	-	-	2,287,125
Total capital assets being depreciated and amortized	<u>3,180,281</u>	<u>144,752</u>	<u>(3,674)</u>	<u>3,321,359</u>
Less accumulated depreciation and amortization:				
Furniture, equipment and leasehold improvements	(476,416)	(157,772)	-	(634,188)
Lease asset	(1,444,500)	(481,500)	-	(1,926,000)
Total accumulated depreciation and amortization	<u>(1,920,916)</u>	<u>(639,272)</u>	<u>-</u>	<u>(2,560,188)</u>
Total capital assets, net of depreciation and amortization	<u>\$ 1,259,365</u>	<u>\$ (494,520)</u>	<u>\$ (3,674)</u>	<u>\$ 761,171</u>

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

SVCE has entered into subscription-based information technology arrangements (SBITAs) for computer software that provides programmatic and operational assistance. These arrangements are reported in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. At the commencement of each subscription term, SVCE recognizes a subscription asset and a corresponding subscription liability.

The subscription assets are amortized on a straight-line basis over the terms of the related subscription agreements.

Certain SBITAs include variable payments that are dependent upon future events or usage; however, such variable payments are not included in the measurement of the subscription liability and are expensed in the period in which the obligation for the payment is incurred.

SVCE has also entered into short-term SBITAs, defined as subscription arrangements with a maximum possible term of twelve months or less. Payments for short-term SBITAs are recognized as expenses during the period in which the services are provided.

As of September 30, 2025, future minimum payments under the arrangements were projected as follows:

Years ending September 30,	Principal	Interest	Total
2026	\$ 532,026	\$ 55,851	\$ 587,877
2027	486,150	21,003	507,153
2028	129,027	3,406	132,433
Total	<u>\$ 1,147,203</u>	<u>\$ 80,260</u>	<u>\$ 1,227,463</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

7. DEFINED CONTRIBUTION RETIREMENT PLAN

SVCE provides retirement benefits through the Silicon Valley Clean Energy Authority Public Agency Retirement System Defined Contribution Plan (Plan). The Plan is a defined contribution 401(a) Retirement Plan established to provide benefits at retirement to employees of certain qualified employers admitted by the Plan. The Plan is administered by the Public Agency Retirement System (PARS). As of September 30, 2025 and 2024, SVCE had 68 and 62 plan participants, respectively. SVCE is required to contribute 10% of covered payroll as a match to required employee contributions. SVCE contributed approximately \$1,224,000 and \$981,000 during the years ended September 30, 2025 and 2024, respectively. Plan provisions and contribution requirements as they apply to SVCE are established and may be amended by the Board of Directors.

8. RISK MANAGEMENT

SVCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, SVCE purchased insurance policies from highly rated commercial carriers to mitigate risks that include those associated with umbrella, cyber, auto, theft, general liability, errors and omissions, and property damage. SVCE has general aggregate liability coverage of \$2,000,000. In addition, SVCE maintains an umbrella liability policy with coverage of \$10,000,000, providing total liability coverage of \$11,000,000 per occurrence and \$12,000,000 in the annual aggregate.

SVCE maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operational, regulatory and other risks arising from participation in the California energy market.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, SVCE enters into netting arrangements whenever possible and, where appropriate, obtains collateral and other performance assurances from counterparties.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

9. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, SVCE enters into various power purchase agreements to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and hydro-electric facilities.

The following table details the obligations to purchase existing energy, renewable, and RA contracts as of September 30, 2025:

Years ending September 30,	
2026	\$ 221,000,000
2027	208,000,000
2028	221,000,000
2029	253,000,000
2030	248,000,000
2031-2047	<u>2,054,000,000</u>
Total	<u><u>\$ 3,205,000,000</u></u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

10. JOINT VENTURE

The SVCE participates in a joint powers agreement (JPA) through the California Community Choice Financing Authority (CCCFA). CCCFA was formed to assist its members by undertaking the financing or refinancing of energy prepayments through tax-advantaged bonds on behalf of one or more of the members by issuing or incurring bonds and entering into related contracts with its members. Any debt or liability incurred by CCCFA on behalf of a member to prepay for renewable energy is not a debt or liability of that member. Furthermore, the assets of CCCFA in the form of prepaid energy or reserves held by the respective bond trustees for any prepayment transaction undertaken on behalf of a member do not constitute an asset or reserve of that member.

CCCFA issued the following bonds, excluding original issue premium, which are to be used to finance energy purchases that will be delivered to SVCE. The 2025F bonds were issued subsequent to September 30, 2025. No debt, liability, or obligation of CCCFA is a debt, liability, or obligation of SVCE.

Deal	Date issued	Amount
2021B	September 2021	\$ 1,234,720,000
2023B	January 2023	841,550,000
2024A	January 2024	1,101,625,000
2025F	November 2025	844,495,000
		\$ 4,022,390,000

SVCE will purchase energy from CCCFA in the same manner as it purchases energy from other suppliers. SVCE purchased approximately \$66,910,000 and \$46,622,000 from CCCFA during fiscal years 2025 and 2024, respectively. The outstanding purchase commitments related to these financing facilities are included in Note 10. This amount represents executed energy contracts assigned to CCCFA as of September 30, 2025. Additional contracts may be assigned while the bond is outstanding.

The financial statements of CCCFA are available online at <http://www.cccfa.org/key-documents.html>.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

11. RECENTLY ADOPTED AND FUTURE ACCOUNTING PRONOUNCEMENTS

SVCE implemented the following GASB Statements.

No. 102, *Certain Risk Disclosures*, which requires additional disclosures regarding concentrations and constraints that could impact SVCE's financial position or results of operations. Implementation of this statement did not have a material effect on the financial statements.

No. 104, *Disclosure of Certain Capital Assets*. Implementation of this statement did not have a material effect on the financial statements.

The following GASB Statement is effective for fiscal years beginning after June 15, 2025. SVCE plans to implement it when required.

No. 103, *Financial Reporting Model Improvements*, which establishes revised guidance for the presentation of financial statements by state and local governments. Management is currently evaluating the impact of this Statement on SVCE's financial statements.



February 23, 2026

To Management and the Board of Directors
Silicon Valley Clean Energy Authority
333 W. El Camino Real, Suite 330
Sunnyvale, California

In planning and performing our audits of the financial statements of Silicon Valley Clean Energy Authority (SVCE) as of and for the years ended September 30, 2025 and 2024, in accordance with auditing standards generally accepted in the United States of America, we considered SVCE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SVCE's internal control. Accordingly, we do not express an opinion on the effectiveness of SVCE's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control during our audits that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

This communication is intended solely for the information and use of management and the Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.

Sorren CPAs P.C.

Sorren CPAs, P.C.

Report to the Board of Directors

Silicon Valley Clean Energy Authority
For the year ended September 30, 2025





To the Board of Directors
Silicon Valley Clean Energy Authority
333 W El Camino Real, Suite 330
Sunnyvale, CA 94087

We are pleased to present this report related to our audit of the financial statements of Silicon Valley Clean Energy Authority (“SVCE”) as of and for the year ended September 30, 2025. Our report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SVCE’s financial reporting process.

This report is intended solely for the information and use of the Audit Committee, Board of Directors and management of SVCE and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Silicon Valley Clean Energy Authority.

Sorren CPAs P.C.

Santa Rosa, California
February 23, 2026

cc: Amrit Singh, Chief Financial Officer

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REQUIRED COMMUNICATIONS

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities

We described our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our engagement letter dated December 5, 2025. Our audit of the financial statements does not relieve management or you of your responsibilities, which are also described in that letter.

Planned Scope and Timing

We previously issued a separate communication dated December 2, 2025 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by SVCE. SVCE did not change any existing significant accounting policies. As disclosed in Note 11, SVCE adopted GASB 102 and 104 which did not have a significant effect on the financial statements.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant or Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities for Independence

Auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with applicable independence rules. For Sorren CPAs, P.C. (the Firm) to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and the Firm each play an important role.

Our Responsibilities

- We are required to maintain both independence of mind and in appearance when providing audit and other attestation services. It is our responsibility to ensure that the general requirements for performing nonattest services are adhered to and included in all letters of engagement.
- We are required to maintain a system of quality management over compliance with independence rules and firm policies.

SVCE's Responsibilities

- Timely inform the Firm, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
- Understand and conclude on the permissibility, prior to SVCE's, officers, directors, or persons in a decision-making capacity, engaging in business relationships with the Firm.
- Not entering into relationships resulting in close family members of the Firm covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at SVCE.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of SVCE, including the representation letter provided to us by management, are attached as Appendix A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in SVCE’s September 30, 2025 financial statements.

Significant Accounting Estimates	
Accrued Revenue	
Accounting policy/ Management’s estimation process	Management’s estimate of accrued revenue includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management’s estimate analytically and determined management’s estimate to be reasonable in relation to the financial statements taken as a whole.
Cost of Electricity	
Accounting policy/ Management’s estimation process	Management’s estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management’s estimate through subsequent disbursements and analytical procedures and determined management’s estimate to be reasonable in relation to the financial statements taken as a whole.
Allowance for Uncollectible Accounts	
Accounting policy/ Management’s estimation process	Management’s estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.

APPENDIX A

**Significant Written Communications Between Management and
Our Firm**



333 W El Camino Real, Suite 330 | Sunnyvale, CA 94087 | 1-844-474-SVCE (7823) | SVCleanEnergy.org

February 23, 2026

Sorren CPAs, P.C.
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of Silicon Valley Clean Energy Authority (SVCE) as of and for the years ended September 30, 2025 and 2024 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of February 23, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 5, 2025 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.



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February 23, 2026
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10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
11. Provisions for uncollectible receivables have been properly identified and recorded.
12. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
13. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
14. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
15. Leases have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 87, *Leases*.
16. SVCE has disclosed all material subscription-based technology information arrangements (SBITAs) in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
17. There are no concentrations or constraints requiring disclosure in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.
18. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
19. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
20. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

21. We have provided you with:



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Sorren CPAs, P.C.
February 23, 2026
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- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within SVCE from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
22. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
23. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
24. We have no knowledge of allegations of fraud or suspected fraud affecting SVCE's basic financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
25. We have no knowledge of any allegations of fraud or suspected fraud affecting SVCE's basic financial statements received in communications from employees, former employees, analysts, regulators or others.
26. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
27. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Accounting Standards Codification (ASC) Topic 450, Contingencies; violations or possible violations of laws and regulations; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
28. We have disclosed to you the identity of all of SVCE's related parties and all the related-party relationships and transactions of which we are aware.
29. We are aware of no significant deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect SVCE's ability to record, process, summarize and report financial data.



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February 23, 2026
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30. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Required Supplementary Information

31. With respect to the Management's Discussion and Analysis presented as required by GAAP and the Governmental Accounting Standards Board to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Amrit Singh".

Amrit Singh, Chief Financial Officer
Silicon Valley Clean Energy Authority

DocuSigned by:

A handwritten signature in black ink, appearing to read "Michael Maher".

87EE84606449460...

Mike Maher, Accountant



Staff Report – Item 4

Item 4: Adopt Resolution Approving Changing SVCE’s Fiscal Year Period from October to September to a Calendar Year Period, Effective January 1, 2027, and Other Necessary Changes to Allow for the Implementation of the New Fiscal Year

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO

Date: 3/11/2026

RECOMMENDATION

Staff requests that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2026-08 (Attachment 1) approving:

1. Changing the current fiscal year (October to September) period to follow the calendar year (January to December), beginning January 1, 2027;
2. Establishing an interim three-month fiscal period (“stub period”), starting October 1, 2026, and ending December 31, 2026, and adopting a schedule to approve the stub fiscal period budget at a September 2026 Board meeting;
3. Authorizing a combined two-period audit covering the three-month stub period along with the first audit of the new fiscal year starting January 1, 2027, and ending December 31, 2027, including waiving any conflicting annual requirements during the transition period from October 1, 2026, to December 31, 2027, in accordance with the Board-approved Policies¹; and
4. Amending the Budget Adoption, Control and Reporting Policy FP-02 (“Budget Policy”) as shown in the redlined version in Attachment 2, removing the requirement to provide a budget overview two months before the end of the fiscal year.

EXECUTIVE, AUDIT, AND FINANCE AND ADMINISTRATION COMMITTEES’ RECOMMENDATION

Staff presented the proposed changes to the Executive Committee on February 27, 2026, and to the Finance and Administration (F&A) Committee on March 5, 2026. Staff also presented the proposed changes to the Audit Committee, except for those related to the Budget Policy, as such recommendations are outside the Audit Committee’s scope. The Committees discussed the proposed changes, including the creation of the stub period and the combined audit of this period with the first calendar-year audit covering a 15-month span, the benefits of the proposal versus the current or July to June period followed by most Community Choice Aggregators (CCA) in California, review of the proposal with SVCE’s external auditor, and adjustments to SVCE’s planning, budgeting, and audit timelines. At the Audit Committee, staff also addressed the impact of the changes on SVCE’s compliance requirements. Staff noted that some workarounds would be necessary for certain obligations, but did not anticipate significant complications. If any issues arise, staff will return to the Board with appropriate recommendations. All the Committees agreed on the benefits of the proposed changes and unanimously recommended that the Board adopt them.

¹ For example, Finance Policies include criteria such as the requirement to conduct an annual audit and annually retain or appoint an independent auditor.

BACKGROUND

SVCE's Joint Powers Agreement (JPA) Section 6.1 authorizes the Board to change the fiscal year by resolution. The Board has once before changed the fiscal year (period) in September 2016 from the initial 12-month period starting July 1 to June 30 to the current 12-month fiscal period beginning October 1. The change was made to facilitate compliance with loan covenants during SVCE's startup, which are no longer relevant.

ANALYSIS & DISCUSSION**Calendar Year – Fiscal Year**

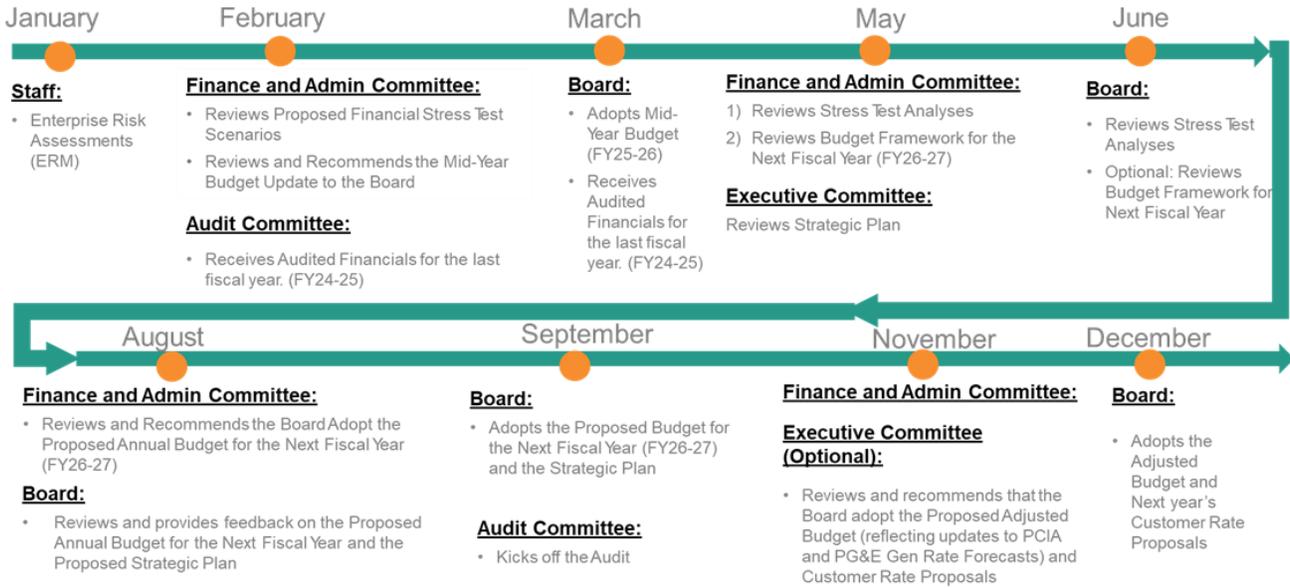
The primary reason for proposing to adopt a calendar year fiscal period is to closely align the Board's budget adoption with customer rate changes. Currently, the Board approves SVCE's annual budget in September, when staff have limited information about Pacific Gas and Electric's (PG&E) generation rate and Power Charge Indifference Adjustment² (PCIA) charges for the upcoming year. With the California Public Utilities Commission's (CPUC) publishing of the market price benchmarks (MPBs) in the fall, and PG&E's subsequent Energy Resource Recovery Account³ (ERRA) update using the latest MPBs, by around mid-November, staff can significantly improve the forecast for the prompt year's PG&E generation rates and PCIA charges, both of which significantly impact the estimation of SVCE's revenue forecast. Because of this late availability of information, for the past few years, the Board has amended the adopted budget in December of each year. Changing the fiscal year to start in January avoids setting a budget and then having to amend it three months later. Having a calendar fiscal year also provides additional benefits by aligning with the timeline for many external compliance requirements and the internal planning processes.

The figure below illustrates the current, new, and transition period budgeting and planning process and timeline, including reviews and/or approvals by the Finance and Administration Committee, the Audit Committee, and the Executive Committee for budgets, stress test analyses, the strategic plan, and financial audits.

²Public Utility Code Sections 366.1 and 366.2 require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

³ERRA, 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.

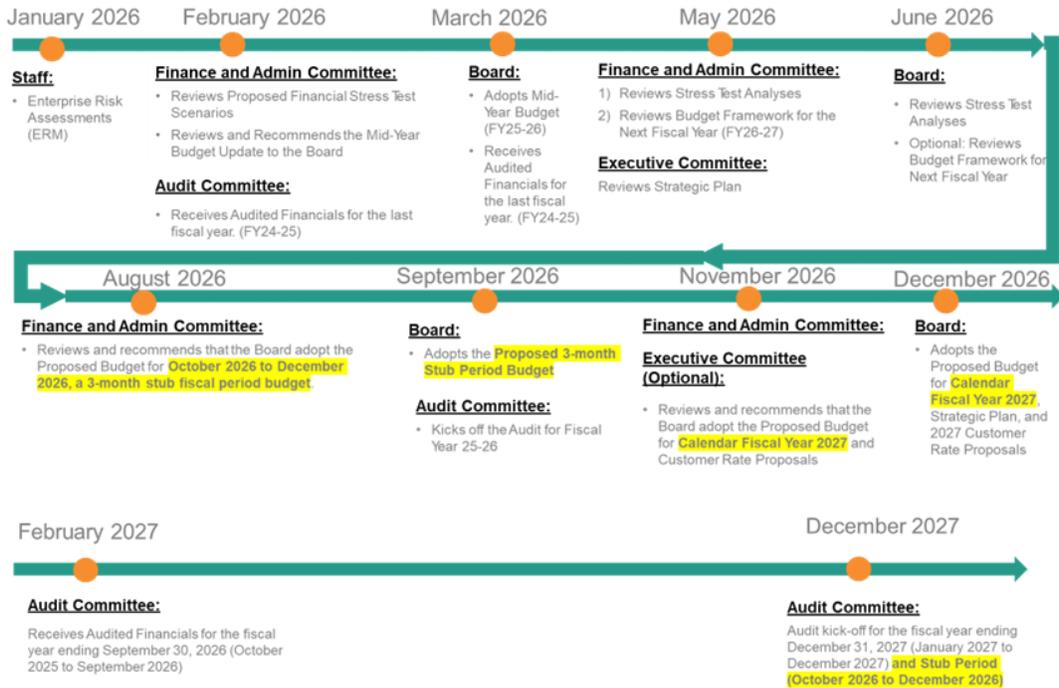
Current Planning Process and Timeline



New Planning Process and Timeline



Transition Period Planning Process and Timeline



Stub Period and Exception from Annual Audit Requirement in Finance Policy 1

The transition to the proposed new fiscal period requires a three-month stub period from October 2026 to December 2026. Staff proposes that the Board adopt the stub period budget in September 2026 and set December 2026 as the deadline for adopting the annual budget. To avoid costly and time-consuming audits for the stub period, and as is common in such circumstances, staff further recommends that the Board authorize a combined audit covering both the stub period (October 2026 to December 2026) and the first new fiscal period (January 2027 to December 2027). This requires an exception from the Board requirement in Finance Policy 1, which mandates an annual audit.

Budget Adoption, Control and Reporting Policy FP-02 – Budget Policy

To support the adoption of a new fiscal year period, staff recommends that the Board eliminate the Budget Policy requirement to provide a budget overview two months before the end of the fiscal year. With the updated budget approval schedule, staff will not receive the latest PCIA and PG&E generation rate information in time to prepare a budget overview, as such data becomes available only from mid-October to mid-November.

STRATEGIC PLAN

By aligning the budget timeline with when customer rates are set, as well as with many external compliance periods and internal planning processes, the proposed changes generally support all goals of the strategic plan.

ALTERNATIVE

Many fiscal periods may be considered, including adopting a fiscal year similar to those of many cities, from July to June. Staff did not consider this alternative as it found no agency benefits.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS

1. Resolution 2026-08 to Amend the Authority's Fiscal Year
2. Redlined Budget Adoption, Control and Reporting Policy

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2026-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SILICON VALLEY CLEAN ENERGY AUTHORITY TO AMEND THE
AUTHORITY'S FISCAL YEAR**

WHEREAS, Section 6.1 of the Silicon Valley Clean Energy Authority Joint Powers Agreement provides that the Authority's fiscal year shall be 12 months commencing July 1 and ending June 30, but that the fiscal year may be changed by a resolution of the Board of Directors of the Authority;

WHEREAS, by Resolution No. 2016-07, the Board approved changing fiscal year to commence on October 1 and end on September 30, in order to facilitate the repayment of the initial Authority's loans, those loans are no longer applicable to the Authority;

WHEREAS, in order to align the annual budget process with customer rate changes, which is based on calendar year, the Board desires to amend the Agency's fiscal year to commence on January 1 and end on December 31.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON
VALLEY CLEAN ENERGY AUTHORITY DOES HEREBY RESOLVE,
DETERMINE, AND ORDER AS FOLLOWS:**

Section 1. The Board hereby adopts changing the current fiscal year (October to September) period to follow the calendar year (January to December), beginning January 1, 2027;

Section 2. The Board hereby adopts establishing an interim three-month fiscal period ("stub period"), starting October 1, 2026, and ending December 31, 2026;

Section 3. The Board hereby adopts authorizing a combined two-period audit covering the three-month stub period along with the first audit of the new fiscal year starting January 1, 2027, and ending December 31, 2027, including waiving any conflicting annual requirements during the transition period from October 1, 2026, to December 31, 2027, in accordance with the Board-approved Policies;

Section 4. The Board hereby adopts amending the Budget Adoption, Control and Reporting Policy FP-02 (“Budget Policy”) as shown in the redlined version in Exhibit A, removing the requirement to provide a budget overview two months before the end of the fiscal year.

PASSED AND ADOPTED this 11th day of March 2026, by the following vote:

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

Chair

ATTEST:

Andrea Pizano, Board Secretary



Finance Policy 2: Budget Adoption, Control and Reporting

I. Purpose

This Budget Adoption, Control and Reporting Policy ("Budget Policy") provides clarity about budget authority for the Chief Executive Officer (CEO) of Silicon Valley Clean Energy (SVCE) and lays out budget adoption and periodic budget reporting requirements. The policy also allows for sufficient flexibility to address ~~changes in the market price of energy~~ the volatility of the power supply portfolio consistent with SVCE's Financial Reserves Policy.

II. Scope

All budget requirements.

III. Policy

A. Budget Adoption

- The CEO, in concurrence with the Finance and Administration Committee, shall prepare a budget ~~and budget overview~~ for the Board for the following fiscal year ~~two one~~ months prior to the end of the fiscal year. The proposed budget shall be balanced and in alignment with the proposed Strategic Plan. The budget shall reflect all activities, including operating, capital programs expenditures, revenues and risk. The CEO will maintain standards related to showings for capital expenditures for budgeting purposes. A balanced budget is one in which expenditures are matched by revenues and recommended changes to reserves.
- The CEO shall submit a recommended budget document for adoption to the Board of Directors for approval by Resolution ~~in the month following the proposed budget submittal~~. When approved by the Board, the budget shall be considered adopted and appropriated at the level it is controlled by the CEO, discussed below.
- In the event that the Board does not adopt the proposed budget by the end of the fiscal year, the Board of Directors may adopt a continuing appropriations resolution until such time as a budget is adopted. A continuing appropriations resolution would provide that payments for services performed on behalf of the Agency and authorization of



awarded contracts would continue until such time as the budget is adopted.

- Staff will prepare a five-year financial forecast as part of the budget process projecting revenues and expenditures for all operating funds and planned capital projects in alignment with the Strategic Plan.
- The budget document will also contain the following, at minimum, a schedule showing revenues, expenses, and changes to financial reserves. The first year of the five-year horizon is the budget to be considered and formally adopted by the Board by Resolution. The final four years are shown for planning purposes and may be shown at more summary levels.
- The first-year proposed budget shall further show:
 - Expenditures by expense type/category across the organization;
 - Projected revenues;
 - Organization chart(s) showing all proposed budgeted positions in the organization;
 - A current salary schedule for job classifications to be in effect for the proposed fiscal year (Salaries may be adjusted by the CEO in the fiscal year, with salary changes being reported to the Board).

B. Budget Control

- After adoption, the budget shall be controlled by the CEO at the total annual expenditure level for the SVCE organization, which includes power purchases, employee costs, contract and professional services, capital improvements, debt service, and all other costs. Customer Generation Rates will be set per the Board approved budget for the corresponding fiscal year or as designated by the Board after establishing the budget. The total budget may be amended by the Board during the year by Resolution.
- The CEO may institute separate budget procedures internally that give the CEO further controls at the department and/or expenditure category level if the CEO so desires.



C. Budget Reporting

- A budget-to-actual status update report shall be presented to the Board on a quarterly basis.

D. Authority to Flexibly Staff and Over-hire Budgeted Positions

- Under the Human Resources Policy 01: Personnel and Reimbursement, the CEO is authorized to hire in excess of 10% of the number of positions shown in the annual budget without prior approval of the Board.
- In no case shall positions be added or salaries be adjusted during the year that cause the total annual budget to be exceeded in total by fiscal year-end without prior Board approval by Resolution.

E. Power/Energy Purchases Contingency

- The nature of the energy-power markets is one of rapid changes in prices and market volatility. The ability to quickly adapt to those changes is important for maintaining consistent power delivery to customers. Therefore, the CEO is granted authority to overspend the total annual budget for energy-power supply purchases by the lesser of 10% of the annual power supply budget, or \$30 million, without Board approval provided the over expenditure is due to higher energy costs or greater customer demand. Overspending for these purposes may require use of reserves and the conditions on use of reserves as stated in the Financial Reserves Policy apply, where reserves cannot be drawn down more than 10% of the year's budgeted cost of power supply or \$30 million, whichever is less, nor below the baseline Minimum Operating Reserve level without Board approval.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.
- Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.



B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

Attachment 2: Budget Adoption, Control, and Reporting Policy FP-02
Redlined Version



Finance Policy 2: Budget Adoption, Control and Reporting

I. Purpose

This Budget Adoption, Control and Reporting Policy ("Budget Policy") provides clarity about budget authority for the Chief Executive Officer (CEO) of Silicon Valley Clean Energy (SVCE) and lays out budget adoption and periodic budget reporting requirements. The policy also allows for sufficient flexibility to address ~~changes in the market price of energy the volatility of the power supply portfolio~~ consistent with SVCE's Financial Reserves Policy.

II. Scope

All budget requirements.

III. Policy

A. Budget Adoption

- The CEO, in concurrence with the Finance and Administration Committee, shall prepare a budget ~~and budget overview~~ for the Board for the following fiscal year ~~two one~~ months prior to the end of the fiscal year. The proposed budget shall be balanced and in alignment with the proposed Strategic Plan. The budget shall reflect all activities, including operating, capital programs expenditures, revenues and risk. The CEO will maintain standards related to showings for capital expenditures for budgeting purposes. A balanced budget is one in which expenditures are matched by revenues and recommended changes to reserves.
- The CEO shall submit a recommended budget document for adoption to the Board of Directors for approval by Resolution ~~in the month following the proposed budget submittal~~. When approved by the Board, the budget shall be considered adopted and appropriated at the level it is controlled by the CEO, discussed below.
- In the event that the Board does not adopt the proposed budget by the end of the fiscal year, the Board of Directors may adopt a continuing appropriations resolution until such time as a budget is adopted. A



continuing appropriations resolution would provide that payments for services performed on behalf of the Agency and authorization of awarded contracts would continue until such time as the budget is adopted.

- Staff will prepare a five-year financial forecast as part of the budget process projecting revenues and expenditures for all operating funds and planned capital projects in alignment with the Strategic Plan.
- The budget document will also contain the following, at minimum, a schedule showing revenues, expenses, and changes to financial reserves. The first year of the five-year horizon is the budget to be considered and formally adopted by the Board by Resolution. The final four years are shown for planning purposes and may be shown at more summary levels.
- The first-year proposed budget shall further show:
 - Expenditures by expense type/category across the organization;
 - Projected revenues;
 - Organization chart(s) showing all proposed budgeted positions in the organization;
 - A current salary schedule for job classifications to be in effect for the proposed fiscal year (Salaries may be adjusted by the CEO in the fiscal year, with salary changes being reported to the Board).

B. Budget Control

- After adoption, the budget shall be controlled by the CEO at the total annual expenditure level for the SVCE organization, which includes power purchases, employee costs, contract and professional services, capital improvements, debt service, and all other costs. Customer Generation Rates will be set per the Board approved budget for the corresponding fiscal year or as designated by the Board after establishing the budget. The total budget may be amended by the Board during the year by Resolution.



- The CEO may institute separate budget procedures internally that give the CEO further controls at the department and/or expenditure category level if the CEO so desires.

C. Budget Reporting

- A budget-to-actual status update report shall be presented to the Board on a quarterly basis.

D. Authority to Flexibly Staff and Over-hire Budgeted Positions

- Under the Human Resources Policy 01: Personnel and Reimbursement, the CEO is authorized to hire in excess of 10% of the number of positions shown in the annual budget without prior approval of the Board.
- In no case shall positions be added or salaries be adjusted during the year that cause the total annual budget to be exceeded in total by fiscal year-end without prior Board approval by Resolution.

E. Power/Energy Purchases Contingency

- The nature of the energy-power markets is one of rapid changes in prices and market volatility. The ability to quickly adapt to those changes is important for maintaining consistent power delivery to customers. Therefore, the CEO is granted authority to overspend the total annual budget for energy-power supply purchases by the lesser of 10% of the annual power supply budget, or \$30 million, without Board approval provided the over expenditure is due to higher energy costs or greater customer demand. Overspending for these purposes may require use of reserves and the conditions on use of reserves as stated in the Financial Reserves Policy apply, where reserves cannot be drawn down more than 10% of the year's budgeted cost of power supply or \$30 million, whichever is less, nor below the baseline Minimum Operating Reserve level without Board approval.

IV. Policy Compliance

A. Violations



- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.
- Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.



Staff Report – Item 5

Item 5: Adopt Resolution Approving the 2025-2026 Mid-Year Adjusted Operating Budget

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO
 Scott Wrigglesworth, Director of Risk and Analytics
 Karen Chang, Manager of Finance

Date: 3/11/2026

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2026-09 (Attachment 1), approving the 2025-26 Mid-year (MY26)¹ Adjusted Operating Budget that projects withdrawing \$12.5 million from the reserves.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION

The Finance and Administration Committee (F&A Committee) reviewed the proposed budget on March 5, 2026. They engaged in a thorough discussion with staff to understand the reasons for the changes to the budget from the December 2025 adopted budget. The committee also examined the 5-year financial forecast and asked staff clarifying questions to better understand the forecast and its implications for SVCE. Regarding the implications of the 5-year forecast, staff also directed some of the committee's questions to the Financial Levers agenda item, which was presented and discussed with the committee after the budget presentation. The F&A Committee unanimously recommended that the Board of Directors approve the proposed MY26 budget.

BACKGROUND

The SVCE Board initially adopted the FY26 annual budget at the September 10, 2025, meeting. The budget was based on staff's projections of the 2026 Power Charge Indifference Adjustment² (PCIA) charges and Pacific Gas and Electric (PG&E) generation rates. Staff committed to updating the budget in December 2025, when it would include much better market and regulatory information regarding the 2026 PCIA and PG&E's generation rates.

At the December 2025 Board of Directors meeting, staff presented an updated FY26 budget along with a five-year outlook, indicating that the financial trend staff has been discussing with the Board remains negative. Staff also noted that if SVCE continues to operate under the "business as usual" scenario in 2026, where all customer rates are set to be competitive with PG&E rates, the delay in charging premiums to meet SVCE's financial targets over five years—specifically, charging above PG&E rates for one year—would not be significant. Staff demonstrated that delaying premium charges by one year would increase the 2027 premium by about 1%, or roughly \$0.53 per month for residential customers. This delay in changing SVCE's pricing

¹ The fiscal year 2025-26 started on October 1, 2025, and ends on September 30, 2026.

² Public Utility Code Sections 366.1 and 366.2 require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

methodology would also allow staff to finalize the financial levers analysis and collaborate with the Finance and Administration and Executive Committees, as well as the Board, to design any necessary adjustments to SVCE's products, services, and rates. The financial analysis would enable SVCE to carefully assess changes to ensure they continue to support the agency's mission and balance customer value with SVCE's financial stability. Staff also noted that the financial reserves built for such financial outcomes do not place SVCE in immediate risk, especially over the next two years, allowing time to complete the financial levers analysis and avoid abrupt changes. The Board approved the adjusted budget that provided a 1% general customer discount compared to comparable PG&E generation rates and a \$12 monthly bill credit to each low-income (CARE/FERA) customer starting in 2026 and a reduction in the GreenPrime premium to \$0.0074 per kilowatt hour.

ANALYSIS & DISCUSSION

At midyear, the updated budget accounts for energy supply expenses using the latest market price data and portfolio positions, revenue estimates reflecting the final rate changes that went into effect in January 2026, and other minor adjustments, as well as projected increases/decreases in operating expenses and investment income. The MY26 Adjusted Operating Budget is balanced and presents SVCE in a stable financial condition (Attachment 2).

The MY26 budget projects a withdrawal of \$12.5 million from reserves, a decrease of \$48 million from the \$60.5 million withdrawal in the December 2025 adjusted FY26 Budget. This seemingly positive outcome is mainly due to \$32 million reduction in power supply costs and \$20 million increase in revenues, driven by a favorable regulatory decision³ that resulted in higher PG&E generation rates. Although falling prices for power supply resources, including energy, Resource Adequacy (RA), Renewable Portfolio Standard (RPS) prices, and Greenhouse Gas-free energy and attributes (GHG-free), improve FY26 projections, these gains are projected to be more than offset by margin deterioration in fiscal year 2026-2027 (FY27). Now that the 2026 PCIA and PG&E generation rates are set, any differences between actual power supply costs and the estimates used to set the 2026 rates will be trued-up during the next rate-setting cycle, further reducing SVCE's FY27 margins. The current projections forecast \$131 million withdrawal from reserves for FY27, an increase of \$50 million from the December 2025 forecast.

³ PG&E assigned zero value to the battery energy storage systems from the PCIA portfolio under the new slice of day resource adequacy market, which the CPUC rejected and assigned values in line with the methodology used by the Southern California Edison (SCE) utility.

Agenda Item: 5

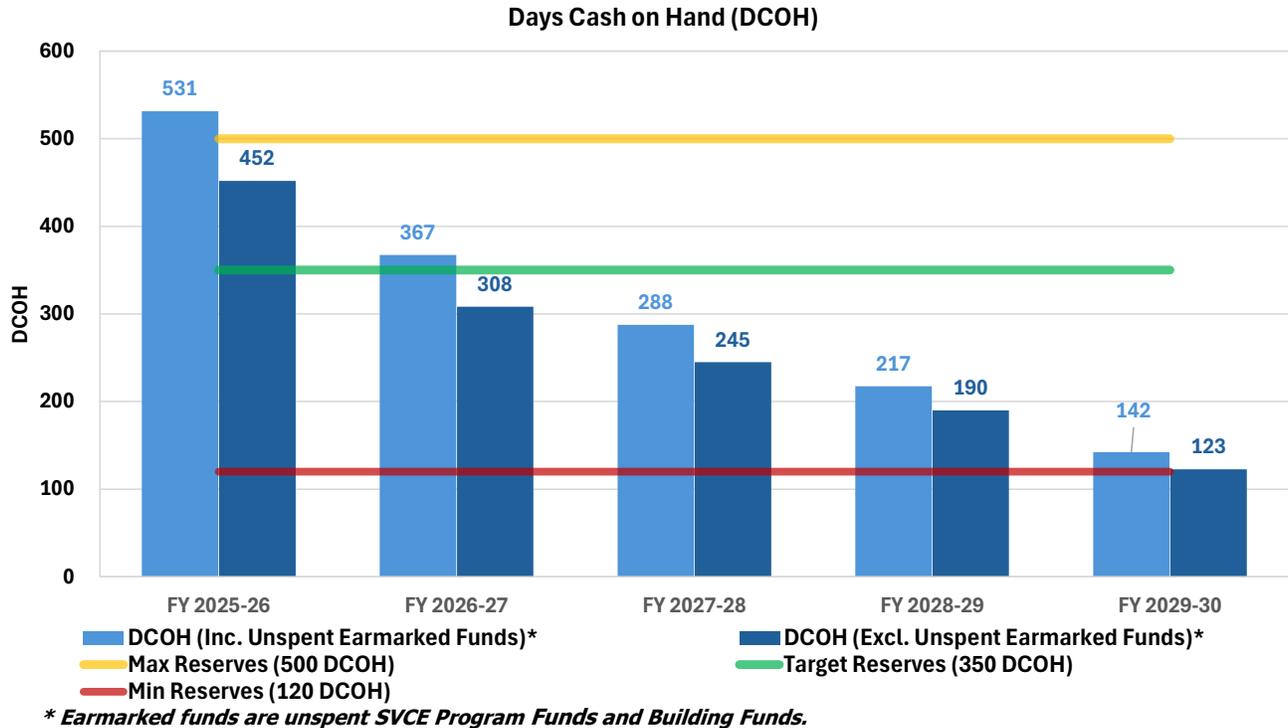
Agenda Date: 3/11/2026

The table below compares the proposed MY26 adjusted operating budget (second column) with the adjusted budget adopted in December 2025 (first column):

(\$ in thousands)	FY25-26	FY25-26	Changes to Reserves	
	ADJUSTED	MID-YEAR	Contribution*	
	BUDGET	ADJUSTED	\$	%
Energy Revenues	319,324	335,478	16,155	5.1%
Power Supply Expense	(344,221)	(311,996)	32,225	9.4%
Operating Margin	<u>(24,897)</u>	<u>23,482</u>	<u>48,379</u>	<u>194.3%</u>
Operating Expenses	(43,193)	(42,684)	509	1.2%
Non-Operating Revenue (Expense)	20,854	20,106	(748)	-3.6%
Annual Transfers and Other Expenses				
Capital Outlay	(512)	(611)	(99)	-19.3%
Transfer to Building Fund	(5,500)	(5,500)	0	0.0%
Program Fund	(7,251)	(7,251)	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	<u>(13,263)</u>	<u>(13,362)</u>	<u>(99)</u>	<u>-0.7%</u>
BALANCE AVAILABLE FOR RESERVES	<u>(60,500)</u>	<u>(12,458)</u>	<u>48,042</u>	<u>79.4%</u>

* Positive values (increases) in contribution to reserves can result from increases in Revenues, as well as decreases in Expenses. Negative values (decreases) in contribution to reserves can result from decreases in Revenues, as well as increases in Expenses.

The negative outlook in the 5-year financial forecast, which staff began projecting during last year’s mid-year budget update, has worsened as power supply resource prices (energy, RA, RPS, and GHG-free) decline. The 5-year financial outlook presented by staff at the December 2025 Board meeting showed 200 days of cash on hand (DCOH) at the end of five years (FY 2029-30), but this has now decreased to 142. The DCOH projections are based on the additional operating liquidity assumptions discussed during the December 2025 budget update. The additional liquidity scenario adjusts the forecasts to reflect a more realistic expectation of some delay in customer adoption of decarbonization programs, leaving an “earmarked” funds balance of \$25 million at the end of the 5-year forecast period. It also reduces annual operating expenses by \$6.5 million to remove amounts budgeted for contingencies. The current 5-year financial forecast is shown in Attachment 3, and the projected DCOH under the additional liquidity scenario is displayed below. The lighter shade of blue bars, with higher values, include allocated but unspent earmarked funds, mainly decarbonization program dollars, while the darker shade of blue bars, with lower values, exclude these earmarked funds. Because the Board can always redirect allocated but unspent funds, SVCE’s financial liquidity is assessed accordingly, using the higher values.



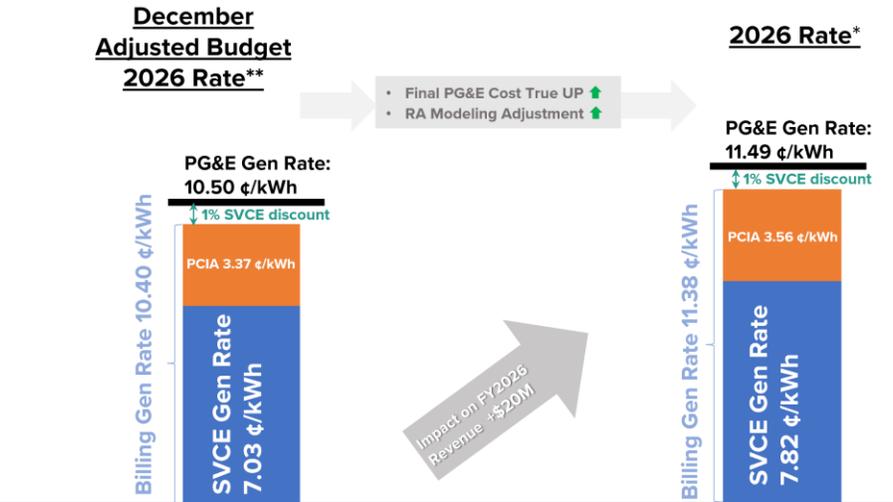
Although reserves are lower than those in the December 2025 budget update, they remain above 350 DCOH over the two-year forecast period. The two-year outlook is especially important because balancing account true-ups used in setting PCIA and PG&E rates settle the current year’s movement in power supply resource prices the following year; therefore, one year’s financial results cannot be relied upon. For example, as mentioned earlier, the gains in the FY 26 budget due to lower power supply resource prices will be more than offset in next year’s financials by reduced revenues when PCIA and PG&E generation rates are trued up.

Staff will continue the financial analyses work started with the Board of Directors, the Finance and Administration, and the Executive Committees, and will also perform additional annual financial stress test analyses. Staff plans to present the stress test results, along with a review of SVCE’s financial reserve targets, and budget contingency fund needed to cover power supply cost uncertainty to the Finance and Administration Committee in May and to the Board of Directors in June.

The discussion below provides additional information on the proposed MY 26 Adjusted budget.

Energy Revenues

Net energy revenues are slightly higher by about \$16.2 million from the December 2025 adjusted budget. The California Public Utilities Commission’s (CPUC) final adopted PG&E generation rates improved overall SVCE’s margins by about 11% (to 7.82 ¢/kWh) or about \$20 million, partially offset by slightly higher final PCIA rate and adjustments to other SVCE revenues that vary with changes in power supply resource prices.



* Source: PG&E 2026 Average Rates, effective January 1, 2026 (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 (0.06 ¢/kWh)

Power Supply Expenses

Power supply expenses have decreased significantly by about \$32 million since the December budget update. The reduction primarily results from much lower market prices for meeting SVCE’s load obligations.

The market prices, including actual/observed prices for October 2025 to December 2025 and forward prices for the remaining forecast period, for energy and RPS, have declined significantly. Since the December 2025 adjusted budget update, FY26 energy prices have dropped about 18%, and the 5-year average energy prices have decreased by roughly 11%. FY26 RPS prices fell by approximately 26%, and the 5-year average declined by about 7%. The decline in RPS prices does not lower power supply costs for FY26 as it does for the rest of the 5-year forecast period because SVCE has already secured its RPS needs for the current fiscal year. RA prices for FY26 decreased 3%, with the 5-year average dropping about 11%.

Operating Expenses

Operating expenses are approximately \$0.5 million lower than the December 2025 adjusted budget. This decrease mainly results from reductions in vendor and consultant fees, leading to lower costs in Professional Services and Marketing & Promotions, along with reduced rental rates for the current office and lower property taxes for the future office location.

There are no changes to the Data Management, PG&E Fees, and Salaries and Retirement operating expenses relative to the December 2025 adjusted budget.

The Professional Services expense has decreased by approximately \$257,000. The favorable variance results from active vendor management negotiation and fee optimization, enabling staff to obtain more competitive market rates from various vendors and software providers.

The Marketing & Communications expense has decreased by approximately \$160,000, also due to strategic vendor management and improved forecasting and alignment on resource timing compared to initial expectations.

The General and Administrative expenses decreased by approximately \$95,000, mainly due to two factors. First, property taxes for the new office building were lowered after a successful exemption filing with the City of Sunnyvale in late 2025; this exemption will result in ongoing annual property tax savings. Second, a new lease agreement with the current landlord for the office led to reduced rental rates.

Agenda Item: 5**Agenda Date: 3/11/2026**Non-Operating Revenues

Investment income is expected to decline by \$610,000 due to lower interest rates and increased funds that are collateralized to support the letter of credit provided to PG&E per the CPUC Financial Security Requirement (FSR) for being the Provider of Last Resort (POLR)⁴ for SVCE customers, which decreases the amount SVCE can invest.

Non-Operating Expenses

Financing expense has increased by \$138,000. This is due to the latest Provider of Last Resort (POLR) Financial Security Forecast (FSR) forecast, which predicts a rise in POLR FSR posting requirements in the coming years, thereby increasing the estimated collateral posting fees charged by financial institutions.

Programs Budget

SVCE will continue incorporating projected Decarbonization Programs spending over the 5-year forecast into the reserve balance projections. For the current fiscal year, Program spending is projected to be \$28.6 million, with an additional spend of \$0.96 million from the Customer Relief and Community Resilience Program (CRCR) Fund, \$1.7 million from the Nuclear Program Fund, \$0.5 million in the E-Elec (all-electric) Fund, the all-electric rate discounts, and \$0.45 million from the Handford Program Fund.

Capital Outlay

Capital Outlay has increased by \$99,000. This change is due to updated projections for furniture expenses related to the new office building. Previously, the calculations were high-level estimates based on limited data and scope available at the time. Recently, the construction project management team provided more accurate estimates based on the latest available cost data. Also, Attachment 4 provides an updated Capitol Projects report.

STRATEGIC PLAN

The recommendation supports all of the Board's adopted strategic plan goals. Specifically, this budget update supports SVCE Strategic Plan Goal 6 – “Maintain healthy financial position; avoid failures in the management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.”

ALTERNATIVE

Staff is open to feedback and suggestions from the Board. At a strategic level, the Board can change the discount to PG&E, reduce the power supply portfolio's carbon-free and/or renewable energy percentages, and cut expenditures on the Decarbonization Programs.

Staff does not recommend any specific reductions given a sufficient projected reserve balance that maintains SVCE's stable financial condition.

FISCAL IMPACT

The MY 2026 Adjusted Operating Budget includes \$335.5 million in revenues and \$347.9 million in expenses, non-operating revenues, and transfers, resulting in a withdrawal from reserves of \$12.5 million, an improvement in net position of approximately \$48 million from the December 2025 adjusted budget.

ATTACHMENT

1. Resolution 2026-09 Approving the Mid-Year 2025-2026 Adjusted Budget for SVCE
2. MY 2025-26 Adjusted Operating Budget
3. Five-Year Forecast
4. Capital Projects Report

⁴ Provider of Last Resort refers to the obligation of a load serving entity, such as SVCE, to ensure continuous electricity service to customers in the event the LSE fails. The POLR for SVCE customers is PG&E. The CPUC requires LSEs to post financial security such as a letter of credit to the POLR to ensure sufficient funds for POLR to undertake LSE's customers in the event of their failure.

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2026-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY TO APPROVE THE MID-YEAR 2025-2026 ADJUSTED BUDGET FOR SILICON VALLEY CLEAN ENERGY

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

WHEREAS, the Authority operates on a fiscal year budget cycle from October 1st through September 30th;

WHEREAS, a mid-year adjusted version of the Authority’s budget for each fiscal year is generally presented to the Board of Directors at the midpoint of the fiscal year in March;

WHEREAS, staff has incorporated direction from recent Board and Finance and Administration Committee discussions around rates, programs, and customer relief and has prepared an adjusted budget, set forth in Exhibit A (the “Adjusted Budget”);

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

1. The foregoing recitals are true and correct.
2. The Board of Directors hereby approves and adopts the Mid-Year Adjusted Budget, as set forth in Exhibit A, as the Authority’s fiscal year 2025-2026 budget.

PASSED AND ADOPTED this 11th day of March 2026, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Wang				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				

City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Page				
City of Sunnyvale	Director Klein				

Chair

ATTEST:

Andrea Pizano, Board Secretary

DRAFT

Exhibit A: MY 2025-26 Adjusted Operating Budget

SILICON VALLEY CLEAN ENERGY

FY25-26 OPERATING BUDGET

(\$ in thousands)

DESCRIPTION	FY25-26 MID-YEAR ADJUSTED BUDGET
ENERGY REVENUES	
Energy Sales	335,858
Green Prime	2,439
CARE/FERA Bill Credit	(4,163)
Other Income	1,344
TOTAL ENERGY REVENUES	<u>335,478</u>
ENERGY EXPENSES	
Power Supply	(311,996)
OPERATING MARGIN	<u>23,482</u>
OPERATING EXPENSES	
Data Management	(3,764)
PG&E Fees	(1,569)
Salaries and Retirement	(18,870)
Professional Services	(10,645)
Marketing & Promotions	(2,189)
General & Administrative	(5,647)
TOTAL OPERATING EXPENSES	<u>(42,684)</u>
OPERATING INCOME (LOSS)	<u>(19,202)</u>
NON-OPERATING REVENUES	
Interest Income	20,272
TOTAL NON-OPERATING REVENUES	<u>20,272</u>
NON-OPERATING EXPENSES	
Financing	(166)
TOTAL NON-OPERATING EXPENSES	<u>(166)</u>
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>20,106</u>
CHANGE IN NET POSITION	<u>904</u>
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	
Capital Outlay	(611)
Transfer to Building Fund	(5,500)
Program Fund	(7,251)
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	<u>(13,362)</u>
BALANCE AVAILABLE FOR RESERVES	<u>(12,458)</u>

Attachment 2: MY 2025-26 Adjusted Operating Budget

**SILICON VALLEY CLEAN ENERGY
FY25-26 OPERATING BUDGET**

(\$ in thousands)

DESCRIPTION	FY25-26 MID-YEAR ADJUSTED BUDGET
ENERGY REVENUES	
Energy Sales	335,858
Green Prime	2,439
CARE/FERA Bill Credit	(4,163)
Other Income	1,344
TOTAL ENERGY REVENUES	<u>335,478</u>
ENERGY EXPENSES	
Power Supply	(311,996)
OPERATING MARGIN	<u>23,482</u>
OPERATING EXPENSES	
Data Management	(3,764)
PG&E Fees	(1,569)
Salaries and Retirement	(18,870)
Professional Services	(10,645)
Marketing & Promotions	(2,189)
General & Administrative	(5,647)
TOTAL OPERATING EXPENSES	<u>(42,684)</u>
OPERATING INCOME (LOSS)	<u>(19,202)</u>
NON-OPERATING REVENUES	
Interest Income	20,272
TOTAL NON-OPERATING REVENUES	<u>20,272</u>
NON-OPERATING EXPENSES	
Financing	(166)
TOTAL NON-OPERATING EXPENSES	<u>(166)</u>
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>20,106</u>
CHANGE IN NET POSITION	<u>904</u>
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	
Capital Outlay	(611)
Transfer to Building Fund	(5,500)
Program Fund	(7,251)
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	<u>(13,362)</u>
BALANCE AVAILABLE FOR RESERVES	<u>(12,458)</u>

Attachment 3: MY 2025-26 Adjusted Operating Budget – 5 Year View

(\$ in Thousands)					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
Operating Revenue					
Electricity Sales, Net ¹	\$335,858	\$238,142	\$317,067	\$367,680	\$390,693
GreenPrime Electricity Premium	\$2,439	\$2,510	\$2,336	\$2,309	\$2,361
Reduction in Revenue ¹	\$(4,163)	\$(928)	\$0	\$0	\$0
Other Income	\$1,344	\$0	\$0	\$0	\$0
Total Operating Revenues	\$335,478	\$239,724	\$319,403	\$369,989	\$393,054
Operating Expense					
Power Supply	\$(311,996)	\$(336,336)	\$(356,970)	\$(378,051)	\$(414,042)
Operating Margin	\$23,482	\$(96,611)	\$(37,566)	\$(8,062)	\$(20,987)
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	\$(10,645)	\$(11,177)	\$(11,736)	\$(12,323)	\$(12,939)
Marketing & Promotions	\$(2,189)	\$(2,299)	\$(2,414)	\$(2,534)	\$(2,661)
General and Administration	\$(5,647)	\$(5,537)	\$(5,814)	\$(6,104)	\$(6,410)
Transfers to Programs Fund	\$(7,251)	\$(4,794)	\$(6,388)	\$(7,400)	\$(7,861)
Total Operating Expenses	\$(361,931)	\$(385,555)	\$(410,004)	\$(434,430)	\$(473,331)
Operating Income	\$(26,453)	\$(145,831)	\$(90,601)	\$(64,441)	\$(80,276)
Nonoperating Revenue					
Investment Income	\$20,272	\$15,050	\$10,070	\$7,568	\$5,191
Grant Income	\$0	\$0	\$0	\$0	\$0
Total Non-Operating Revenues	\$20,272	\$15,050	\$10,070	\$7,568	\$5,191
Nonoperating Expense					
Financing Cost	\$(166)	\$(442)	\$(788)	\$(186)	\$(172)
Capital Outlay	\$(611)	\$(50)	\$(50)	\$(50)	\$(50)
Interest Expense	\$0	\$0	\$0	\$0	\$0
Total Non-Operating Expense	\$(777)	\$(492)	\$(838)	\$(236)	\$(222)
Non-Operating Income	\$19,495	\$14,558	\$9,232	\$7,332	\$4,969
Change in Net Position/Available for Reserves	\$(12,458)	\$(131,273)	\$(81,369)	\$(57,109)	\$(75,308)
Begin, Net Financial Position	\$585,328	\$539,673	\$388,466	\$290,563	\$218,250
Adjustment for Program Expenditure and Building Fund ²	\$(33,198)	\$(19,934)	\$(16,534)	\$(15,204)	\$(7,281)
End, Net Financial Position	\$539,673	\$388,466	\$290,563	\$218,250	\$135,662

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 \$4.2 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.

SVCE Capital Projects Report

Description	Account	Date	Cost	Life (months)	Depreciation	Operating Cost/Revenue Impact	Effect on Operations/Reliability	Consequence of not funding the Capital Project	Source of Funding	On-going Impact to Operational Budget
January 2025 - Stage 1 Initial Roof Inspection - Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 3,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
January 2025 - deposit for stage 1 initial roof inspection -Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 1,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Building	02/20/2025	\$ 7,000,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
May 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	05/31/2025	\$ 20,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
June 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	06/30/2025	\$ 11,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
July 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	07/31/2025	\$ 11,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
Aug 2025 - fumigation services	Construction in Progress	08/18/2025	\$ 37,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
August 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	08/31/2025	\$ 19,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
June 2025 - SVCE HQ interior design services	Construction in Progress	08/01/2025	\$ 9,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
July 2025 - SVCE HQ interior design services	Construction in Progress	08/01/2025	\$ 52,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
September 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	09/30/2025	\$ 12,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
August 2025 - Sunnyvale HQ - Elevator Modernization Management Services	Construction in Progress	09/01/2025	\$ 8,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
October 2025 Building Permit Fee	Construction in Progress	10/20/2025	\$ 34,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
October 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	11/01/2025	\$ 13,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
November 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	12/01/2025	\$ 19,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
September 2025 - SVCE HQ interior design services	Construction in Progress	12/01/2025	\$ 182,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
August 2025 - SVCE HQ interior design services	Construction in Progress	12/01/2025	\$ 63,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
November 2025 - SVCE HQ interior design services	Construction in Progress	12/01/2025	\$ 11,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
November 2025 - SVCE HQ interior design services	Construction in Progress	12/01/2025	\$ 27,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
December 2025 - Elevator modernization services	Construction in Progress	12/16/2025	\$ 93,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
LAND Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Land	02/20/2025	\$ 4,500,000	N/A Land	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast
Office Furniture for 298 S Sunnyvale	Furniture	09/01/2026	\$ 561,000	84	not in service yet	Listed in FY25-26 Mid-Year Proposd Budget Capital Expenditure	N/A	Need to fulfill staff office space needs	FY25-26 Operating Budget	One-time Capital cost in FY25-26 budget

*Furniture depreciates at 84 months
*Software / electronics depreciate at 36 month



Staff Report – Item 6

Item 6: Financial Levers Update – Additional Discussion and Scenario Review

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success

Date: 3/11/2026

RECOMMENDATION

Receive the presentation on updated financial levers and an example scenario. No action requested at this time.

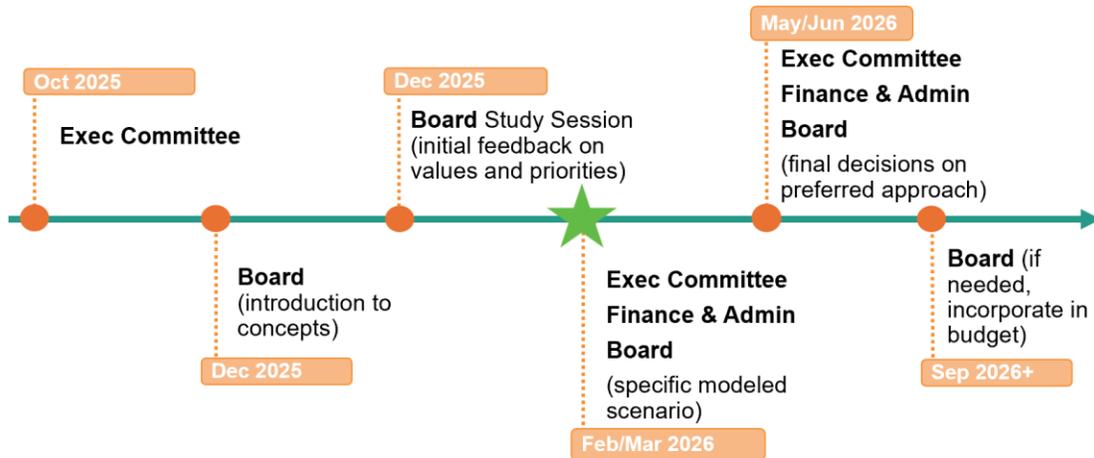
COMMITTEE REVIEWS

This presentation was given to the Executive Committee at its February 27, 2026 meeting. It was also given to the Finance and Administration Committee at its March 6, 2026 meeting. Both sets of Committee members had robust discussions on the information provided, shared perspectives on priorities, and asked questions and suggested additional information that would be helpful in making an eventual decision. Their feedback has been incorporated into the presentation being given to the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") today.

BACKGROUND

Initial December Discussions on Financial Levers

This topic was initially introduced towards the end of 2025. The Board received an introductory, overview presentation at the regular December Board meeting that covered these 'financial levers.' These levers represent SVCE's main pathways towards mitigating the forecasted draw on reserves in the current five-year forecast. The Board then had a special meeting later in December to give more expansive feedback on the levers, through the lens of contemplating SVCE's core mission, the value proposition to customers, and how those combine into different 'stories' that SVCE embodies and could further orient itself around. The stories represented various tradeoffs – prioritizing some elements of SVCE's work and influence more than others.



*Timeline subject to change

Figure 1: Timeline for Financial Levers

Financial Outlook and Planning

SVCE’s current financial forecast projects a drawdown in reserves over the coming five-year period. This drawdown would be a new situation for SVCE, compared to the financial environment it has operated in thus far during its existence. The most current update on the financial forecast and drivers can be found in Item 5 earlier in this meeting’s agenda.

SVCE’s existing reserves allow for a measured response to this forecast – both in terms of how quickly action must be taken and how extensive that action must be. This ongoing discussion of the relative merits of different financial levers will help the Board affirm the preferred scenarios for responding to negative financial conditions – whether far in the future or in the case that this current forecast manifests.

Recap of SVCE’s Mission and Value Proposition Delivery

SVCE’s mission is to reduce dependence on fossil fuels. And to do so by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community. This also represents the value proposition that SVCE offers to the local communities – a focus on fighting climate change, improving health, and cleaning the air through fossil fuel independence along with local control, local reinvestment, local presence, and competitive rates.

SVCE has been delivering on the mission and this full customer value proposition: lifetime bill savings, thousands of local heat pumps and other equipment installed, major investments in constructing new clean supply resources, support for contractor training, support for local community projects, electric vehicle charging at multifamily properties, tabling at community events, and much more. But there are still millions of local fossil fuel machines to be replaced and additional clean supply projects that will be required to keep meeting the needs of a growing load.

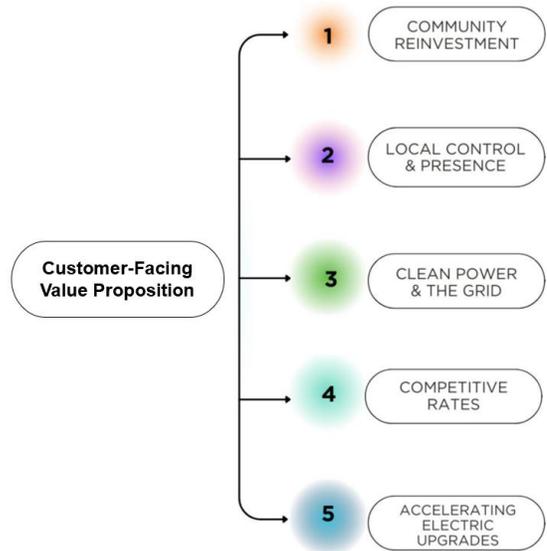


Figure 2: Value Proposition

Rates, Competitiveness, and Affordability

SVCE sets its rates with an eye toward competitiveness with Pacific Gas and Electric (PG&E). Competitiveness can mean many things to a customer: cheaper, the same cost, slightly higher but not so high as to be worth switching, stable rates, cleaner supply, supportive of cleaner air through local programs, getting to have a provider other than PG&E, or something else. Each individual customer has their own set of considerations and idea of what is valuable and competitive for them. Different customer types (residential and non-residential) may, in aggregate, prioritize differently.

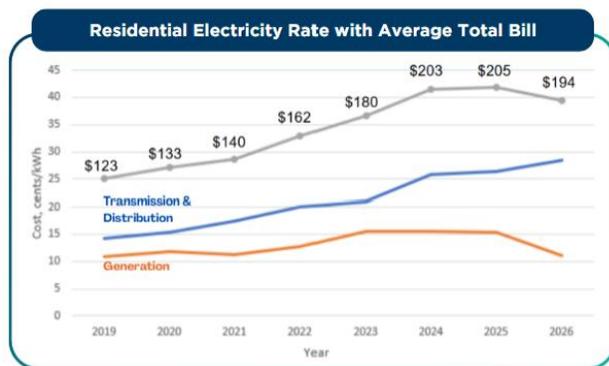


Figure 3: Total Rate Over Time in Gray, with total bill written in-line (SVCE gen rate, inclusive of PCIA, in orange)

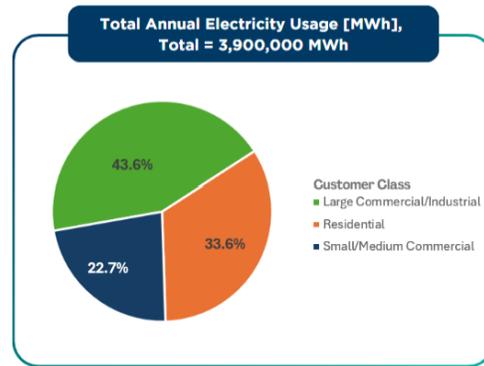


Figure 4: SVCE Load by Customer Class from 2025 (two-thirds non-residential)

Affordability is also of great concern to SVCE as part of serving and supporting the community. As shown in Figure 3, SVCE's direct influence on affordability has significantly decreased over its existence because the Transmission and Distribution (T&D) portion of customers' bills has increased so much. SVCE's generation rate in 2026 (when including the PG&E generation fees) is similar to what it was in 2019 while PG&E's T&D side of the bill has doubled. This means that SVCE now controls less than one quarter of a customer's bill. SVCE remains committed to keeping its rates as low as possible while serving its mission and supporting the reliability of the grid. SVCE also looks for ways to advocate on behalf of its customers to reduce the large and growing costs on the T&D side of the bill.

Ultimately, small changes to SVCE's generation rate, whether above or below PG&E, do not have major impacts on customer affordability today. But even small changes above PG&E can be important from a competitive perspective for those customers who prioritize price above all else – if the difference is meaningful enough to be worth changing providers (especially knowing that SVCE has delivered significant savings over its lifetime for that customer, and that SVCE could go back to being cheaper while they are opted out).

DISCUSSION

Staff will present additional analysis and conclusions during the Board meeting.

Main Topics

One key takeaway is that, under the current forecast, closing the gap between costs and revenues on an ongoing basis *without* using SVCE's reserves would require increasing SVCE's generation rate to a premium above PG&E (when including the PG&E generation fees). This conclusion is driven by the fact that the voluntary clean position and program spend have a relatively small impact on overall costs and therefore could not close the gap on their own. Therefore, on a long-term, ongoing basis under negative financial conditions like those in the current forecast, increasing the SVCE rate *would be a required lever*. This is not a near-term requirement, as SVCE has substantial reserves that it can choose to continue to draw from to maintain the current rate-setting approach and also fund the programs and voluntary clean supply.

Another key consideration is that the five-year forecast contains significant uncertainty, especially in the outer years. The energy markets will continue to fluctuate, SVCE will face procurement orders and other compliance obligations, and rules or interpretations at the state level will evolve. This may improve the financial forecast to be more akin to previous years of SVCE's existence, or it could get worse than today's projection. There is value in waiting to understand what actions are required – as time passes there will be moments of new information that influence where the forecast truly heads. Waiting is possible because of SVCE's strong reserves. There is also risk in waiting – delaying means that the eventual action taken must be more extreme to drive the same net impact by the end of the five-year period.

The third main takeaway is that SVCE's value proposition and mission can be severely impacted if every lever ends up being used. If SVCE were to decide to reduce the forecasted draw from reserves by shrinking the investment in voluntary clean (i.e. become less clean than PG&E) and reducing the investment in local electrification activities (i.e. cease running programs), then it would no longer be driving impact towards the mission to reduce dependence on fossil fuels. It would shrink its value proposition to be focused on local control and presence, along with competitive rates. This could be temporary or could persist for a longer time. At some point, if the poor market conditions continued and once reserves were drawn down to some minimum target level, rates would then *also* have to be increased to fully close the gap between costs and revenues. At that point, SVCE's value proposition would become just focused on local control and presence. There might be some argument for competitive rates, depending on how customers define competitiveness and how high the rate must be raised. Again, this is not where SVCE stands today with its strong reserves, but near-term decisions must consider this worst cast possibility along with the possibility that the forecast will improve.

Example Scenario

Staff has constructed an example scenario based on feedback from December and further analysis. The scenario is intended to give a sense for how the different levers could be combined to find a balanced approach for reducing or stopping a draw from reserves. The feedback given by the Board on priorities and

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mission will give staff a starting place for any future situations with a negative forecast, regardless of whether the current forecast holds.

The example scenario considers the idea of SVCE moving to two main products: one that is 100% clean but at a 4% premium compared to PG&E's generation rate, and one that is minimally compliant with its clean supply mix but would remain at a 1% discount. The clean product would increase overall customer electricity bills by about 1% (roughly \$2 per month for a residential customer). The less clean product would be open for customers to opt down into and would result in increased emissions associated with SVCE's communities based on the number of customers that select it. The scenario also cuts the amount spent on programs by 10%, requiring the closure or shrinking of some previously approved expenditures.

The theoretical impact of this scenario would be to increase the amount of days cash on hand in the reserves by the end of the period by 75 days, under the assumption that these products start in 2027. This scenario offers customer choice and a clean product that does not have a major impact on overall bills. There are other ways to combine these levers, whether similar to this one or very divergent. It is also possible to delay when action is taken, but a resulting scenario would need to be more aggressive depending on how long SVCE waits (e.g. if waiting one or two years to take this approach, the example scenario might instead require a 7% premium for the clean product, cost parity for the less clean product, and a 25% reduction in programs).

Additional Information

This analysis includes assumptions, and the impacts will be highly dependent on customer reaction. Staff continues to gather information to inform future input: residential customer "willingness to pay" for clean programs and energy, non-residential customer reaction to a premium, and the emissions impacts of customers opting down. Pursuing something like the example scenario could also provide additional information to SVCE's long-term strategy by understanding how many customers choose to opt down.

This work connects to the new Integrated Decarbonization Roadmap that SVCE's board has been discussing, which will drive a new understanding of which programs SVCE wants to prioritize and the overall emissions impact of that work. This will include a better understanding of how adjusting the program investments will affect the long-term transition to electric technologies and local emissions.

One objective for this presentation to the Board today is to understand if there is additional information and framing that would be helpful for future discussions.

STRATEGIC PLAN

This item will eventually affect the entirety of SVCE's Strategic Plan, as it touches on all elements of SVCE's business and mission. Decisions in the coming months, driven by discussions around the financial levers described in this item, will affect future budgets, resource plans, decarbonization initiatives, and strategic plan updates. This item itself, as an informational item, does not make any adjustments right now.

FISCAL IMPACT

The eventual decisions made around financial levers will have a significant fiscal impact on SVCE. This item, as an information item, does not itself have any fiscal impact. Once strategic decisions are made in 2026 around the financial levers, the fiscal impacts will be modeled and incorporated into future budgets and plans.