

## RESOLUTION NO. 2020-29

### RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO AMEND CREDIT AND COLLATERAL REQUIREMENTS IN APPROVED MASTER AGREEMENTS TO INCORPORATE THE INVESTMENT GRADE CREDIT RATING PROVIDED THE AMENDMENTS ARE FAVORABLE TO THE AUTHORITY

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

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

**WHEREAS**, to provide such service, SVCE 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, including credit and collateral requirements;

**WHEREAS**, SVCE has entered in eighteen different Master Agreements that contain credit and collateral requirements that do not reflect SVCE’s current credit rating:

**WHEREAS**, SVCE received its investment grade rating of Baa2 from Moody’s Investors Service on July 15, 2020 and the investment grade rating is an independent assessment of SVCE’s financial strength over the long term and acknowledges SVCE’s financial stability.

**WHEREAS**, SVCE intends to seek additional credit rating(s) in the future to further support its financial standing.

**WHEREAS**, Article 8 of the Master Agreement defines the credit and collateral requirements and the Collateral Annex sets forth detailed procedures under which each party will provide credit support and are directly tied to each party’s credit rating status.

**WHEREAS**, SVCE with its new investment grade rating is eligible to negotiate new terms in its Article 8 and/or Collateral Annex which can improve its collateral thresholds and reduce the cost of each transaction.

**WHEREAS**, SVCE desires to amend the credit and collateral requirements in approved Master Agreements to incorporate the agency’s recent investment grade rating to reduce the cost of these transactions.

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

1. Negotiate and execute favorable amendments to Board approved Master Agreements with respect to credit and collateral requirements, including but not limited to such requirements in Article 8 and the Collateral Annex subject to review and approval by SVCE legal counsel.

**ADOPTED AND APPROVED this 14<sup>th</sup> day of October 2020, by the following vote:**

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Gibbons	✓			
City of Cupertino	Director Sinks	✓			
City of Gilroy	Director Tovar				✓
City of Los Altos	Director Fligor	✓			
Town of Los Altos Hills	Director Tyson	✓			
Town of Los Gatos	Director Rennie	✓			
City of Milpitas	Director Montano	✓			
City of Monte Sereno	Director Ellahie	✓			
City of Morgan Hill	Director Martinez Beltran				✓
City of Mountain View	Director Abe-Koga	✓			
County of Santa Clara	Director Ellenberg	✓			
City of Saratoga	Director Miller	✓			
City of Sunnyvale	Director Smith	✓			

DocuSigned by:  
*Howard A Miller*  
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 Chair

**ATTEST:**

DocuSigned by:  
*Andrea Pizano*  
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 Secretary