BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program Rulemaking 11-05-005 (Filed May 5, 2011)

RESPONSE OF ALPAUGH IRRIGATION DISTRICT TO MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-E) FOR CLARIFICATION REGARDING EXISTING ASSEMBLY BILL 1969 FEED-IN-TARIFF PROGRAM

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Dated: April 22, 2013

RESPONSE OF ALPAUGH IRRIGATION DISTRICT TO MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-E) FOR CLARIFICATION REGARDING EXISTING ASSEMBLY BILL 1969 FEED-IN-TARIFF PROGRAM

Pursuant to Rule 11.1(e) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Alpaugh Irrigation District ("Alpaugh") hereby respectfully submits this response ("Response") to the Motion of Pacific Gas and Electric Company (U 39-E) for Clarification Regarding Existing Assembly Bill 1969 Feed-In-Tariff Program (the "Motion").

I. BACKGROUND

A. Alpaugh Irrigation District and Ecoplexus Seek to Develop a Solar Power Project Pursuant to the E-PWF Tariff

Alpaugh is a California Irrigation District located in Alpaugh, California. Alpaugh is working with Ecoplexus, Inc. ("Ecoplexus")¹ to develop a solar power project pursuant to California Public Utilities Code Section 399.20 and Pacific Gas and Electric Company ("PG&E") Rate Schedule E-PWF, a feed-in tariff for eligible facilities intended to promote renewable generation for public water and public wastewater agencies ("E-PWF Tariff"). The Commission approved the E-PWF Tariff in decision D. 07-07-027. PG&E has been accepting contracts under the E-PWF Tariff and has stated that it will continue to do so until a replacement tariff is filed.²

Because public agencies often lack the capital and expertise to develop a solar project on their own, Ecoplexus works with public agencies such as Alpaugh to bring these beneficial projects to fruition, usually by creating a special purpose entity for the joint project. In this case,

¹ Ecoplexus is a solar power developer that has completed over 30 commercial and municipal scale solar projects in the last 18 months, and currently has approximately 50 projects in the development phase. Ecoplexus works on solar projects with city, state, and municipal agencies and some of the largest multi-family affordable housing developers in the United States.

² "PG&E: Renewable Feed-in Tariffs," *available at* <u>http://www.pge.com/b2b/energysupply/</u> wholesaleelectricsuppliersolicitation/standardcontractsforpurchase/ (last accessed April 22, 2013).

Alpaugh and Ecoplexus are joint partners in Sustainable Central Valley Solar I, LLC ("SCVS"), the special purpose entity that will develop, own, and operate the solar project. Alpaugh has a 50% ownership interest in the project, and intends to remain a 50% owner throughout the life of the project. Ecoplexus has the remaining 50% ownership interest in SCVS. The facility will be located entirely on Alpaugh property.

Realistically, a joint ownership arrangement with a water agency is the only way for solar projects like the one proposed by SCVS to get built. The vast majority of utility PPAs are signed by special purpose entities (as opposed to corporations), and this practice is both common and accepted. Aside from the joint venture between Alpaugh and Ecoplexus, there have not been many other subscribers to E-PWF. In fact, of the 104.603 MW available under the highly beneficial E-PWF program, fully 100 MW remain unsubscribed.³

B. Although Eligible for the E-PWF Tariff, PG&E Has Refused to Sign E-PWF PPAs with the Joint Alpaugh-Ecoplexus Entity

In November, 2012, Ecoplexus, on behalf of SCVS, first tendered E-PWF Power Purchase Agreements ("PPAs") to PG&E. The beauty of a feed-in tariff is its simplicity – signing an E-PWF PPA should be ministerial. Indeed, when the Commission adopted tariffs and standard contracts in D. 07-07-27, its decision noted that "[t]he result is a simple and streamlined mechanism for certain generators to sell electricity to the utility without complex negotiations and delays." D. 07-07-027 at 2. That was not the case with PG&E, however, as it refused to sign the PPAs. PG&E first insisted that Alpaugh, not Ecoplexus, sign the PPAs. After Alpaugh signed the PPAs,⁴ PG&E then insisted on the following additional conditions:

³ "PG&E: Renewable Feed-in Tariffs," *available at* <u>http://www.pge.com/b2b/energysupply/</u> wholesaleelectricsuppliersolicitation/standardcontractsforpurchase/ (last accessed April 22, 2013).

⁴ A copy of the PPAs tendered to PG&E are attached hereto as Exhibits A and B. The E-PWF Tariff rate schedule is attached hereto as Exhibit C.

- 1. An attestation that the facility will be 100% owned by Alpaugh;
- 2. An attestation that the facility will be on land owned by Alpaugh; and
- 3. Documentation that the facility will be an Eligible Public Water Facility.

On January 18, 2013, without waiting for the attestations it had requested, PG&E again

told Ecoplexus it would not sign the PPAs. PG&E stated that its "policy" in implementing state

law and its Commission-approved tariff is that the public water agency must be the sole owner

and that there could be no special purpose entity. This purported sole ownership requirement is

not found in either the law or E-PWF Tariff but is only PG&E's new policy.

Despite PG&E's refusal to sign the PPAs, on January 21, 2013, Alpaugh provided PG&E

with the following attestations:

- 1. Alpaugh Irrigation District has a 50% ownership of the proposed Facility for the E-PWF Tariff via its 50% ownership in the Project Company, and intends to maintain 50% ownership throughout the PPA's Delivery Term. Ecoplexus and/or its investors, our partner in Sustainable Central Valley Solar I, LLC, owns the remaining 50%;
- 2. The facility is on property 100% owned by Alpaugh Irrigation District; and
- 3. The Facility is 50% owned by a state, local, or federal agency that develops, stores, distributes or supplies water as required under Section 4.3.1(a) of the E-PWF PPA and in conformance with the E-PWF Tariff's Special Conditions, Section 3(b) that requires the facility to be an Eligible Public Water Facility.⁵

After sending the attestations to PG&E, representatives from Ecoplexus spoke with

PG&E in February, 2013, to discuss PG&E's refusal to sign the PPAs. PG&E reiterated its

"policy" that the public water agency must be the sole owner of the facility and did not engage in

serious negotiation to resolve the impasse and enable the solar project to go forward.

C. PG&E's Motion for Clarification

On March 25, 2013, PG&E provided notice to Ecoplexus and Alpaugh that it intended to

file a motion in this proceeding to clarify whether a special purpose entity such as SCVS may

⁵ A copy of the January 21, 2013 letter containing Alpaugh's attestations is attached hereto as Exhibit D.

participate in the E-PWF program as a seller under the E-PWF PPA. On April 5, 2013, PG&E filed the above-referenced Motion which "seeks clarification that PG&E's administration of its public water and wastewater tariff is consistent with Commission precedent and applicable law and affirm that participation is only available to public water and wastewater agencies." Motion at 1-2. Should the Commission direct PG&E to offer its E-PWF PPA to entities such as SCVS, PG&E requests that the Commission take the following actions:

- (1) clarify the minimum criteria that such business entities must establish and maintain to receive service under the public water and wastewater tariff and PPA;
- (2) clarify the process to be used to modify the PPA needed enforce such eligibility criteria; and
- (3) grant PG&E the authority to execute appropriately modified PPAs with applicants that meet such eligibility criteria and that request to execute a PPA prior to the effective date of the successor Renewable Market Adjusting Tariff.

See Motion at 2.

II. ARGUMENT

A. PG&E's E-PWF Eligibility Policy Lacks Legal Support

The issue sought to be clarified in PG&E's Motion is narrow: Does the E-PWF Tariff require a public water agency such as Alpaugh to be the **sole** owner of the electric generation facility? The answer is no. Neither the E-PWF Tariff, the E-PWF PPAs, the Commission's decision in D. 07-07-027, nor the Public Utilities Code require a water agency to be the sole owner of a facility.

PG&E tellingly cites to no authority requiring sole public agency ownership of facilities in its Motion. Instead, PG&E repeatedly emphasizes its internal policies to administer the E-PWF program to restrict participation in the E-PWF Tariff to facilities solely owned by public water or wastewater agencies. Motion at 1, 4, 5, 8. PG&E's internal policies and past misadministration of the E-PWF program are irrelevant and should be ignored. Instead, the Commission should look to the eligibility requirements under applicable law and the Commission-approved E-PWF Tariff. The Commission should not permit PG&E to impose its own conditions in administering the E-PWF program. Indeed, the unfortunate result of PG&E's restrictive administration of the E-PWF program is to make a State-mandated, highly beneficial program moribund (more than 95% of the capacity remains unallocated), at great cost to the public interest that this Commission is entrusted to protect.⁶

B. SCVS Is Eligible to Participate in the E-PWF Tariff

Under the E-PWF Tariff, the E-PWF PPA, the Commission's decision in D. 07-07-027, and the Public Utilities Code, a public water or wastewater agency must own and operate an electric generation facility, but there is simply no requirement for sole ownership.

PG&E attempts to find this sole ownership requirement in D. 07-07-027, but it does not exist there. Motion at 2-3, 7. In D. 07-07-027, the Commission adopted a limited expansion of the basic program framed in Public Utilities Code Section 399.20 to customers other than water and wastewater agencies. PG&E unpersuasively argues that this "separate and distinct" expanded program should apply to entities like SCVS, and that participation in the E-PWF program should be limited to only those entities that are sole public water or wastewater agencies. Motion at 6-7.⁷ This is pure ipse dixit. Neither D. 07-07-027 nor California law speak to a sole public agency ownership requirement.

⁶ See "CPUC Mission," available at <u>http://www.cpuc.ca.gov/PUC/aboutus/pucmission.htm</u> (last accessed April 22, 2013) ("The California Public Utilities Commission serves the public interest by protecting consumers and ensuring the provision of safe, reliable utility service and infrastructure at reasonable rates, with a commitment to environmental enhancement and a healthy California economy.") (emphasis added).

⁷ PG&E also argues that Commission Resolution E-4137, which approved the E-PWF, means that the E-PWF program excludes agencies that are not solely owned by public water agencies. Motion at 7-8. Not so. Resolution E-4137 does not support the proposition that a jointly-owned entity such as SCVS is an ineligible public water facility. Instead, Resolution E-4137 makes a passing reference to the completely separate and

PG&E concedes that the E-PWF Tariff requires that a customer meet the definition of an "Eligible Public Water Facility" or "Eligible Public Wastewater Facility." Motion at 4. An Eligible Public Water Facility is defined in the E-PWF Tariff rate schedule to mean:

Any facility owned by a state, local or federal agency that develops, stores, distributes or supplies water and located on property owned or under the control of the public water or wastewater agency.

See Exhibit C at Section 3; Motion at 4-3. Under the express terms of the E-PWF Tariff, an entity such as SCVS – which includes a 50% partner public water agency – qualifies as an Eligible Public Water Facility because the facility it seeks to develop is owned, in part, by a public water agency and the facility will be located on property owned by that agency. That should conclude the eligibility question.

The only basis for PG&E's claim that SCVS is ineligible to participate in the E-PWF

Tariff lies in PG&E's "specific criteria" that it has developed to enforce its E-PWF program.

Motion at 5. These criteria do not appear in the E-PWF Tariff and have no support in any

applicable statute or regulation. PG&E's unsanctioned criteria – which have never been

approved by the Commission – include requiring:

- that the entity defined as Seller under E-PWF PPA is a public water or wastewater agency and not another business entity;
- an attestation that the public water or wastewater agency has 100% ownership of the proposed facility and intends to maintain 100% ownership throughout the PPA's Delivery Term;
- an attestation that the facility is on property owned by or under the control of the public water or wastewater agency; and,
- documentation in support of the attestation required under Section 4.3.1(a) of the E-PWF PPA and in conformance of the E-PWF tariff's Special Conditions, Section 3(a) that requires that the facility be either an Eligible Public Water Facility or an Eligible Public Wastewater Facility.

Id.

uncontested point that **private** water utilities may participate in the E-PWF limited expansion program tariff for "other customers." *See* R. E4137 at 12, 14. SCVS is not a private water utility, so this argument is bunk.

Because PG&E's self-created criteria do not appear in the E-PWF Tariff and have no legal support, the Commission should reject PG&E's request for clarification in its Motion.

C. PG&E's Specific Requests for Clarification of E-PWF Eligibility Are Inappropriate and Should Be Rejected

Perhaps knowing that it has no legal ground to exclude entities such as SCVS from the E-PWF Tariff, PG&E requests that the Commission clarify eight specific points regarding E-PWF eligibility. Motion at 9-10. Most, if not all, of PG&E's clarification points are irrelevant and inappropriate for determining eligibility under the E-PWF program and, instead, are directed to harass and burden entities such as SCVS.

For example, PG&E seeks to "clarify" E-PWF eligibility by demanding detailed information about special purpose entities, including the percentage of income/loss and cash distribution allocations. *Id.* PG&E also seek information about different forms of equity capital for such entities. But the eligibility question under the E-PWF Tariff and California law has only two parts: (1) whether the facility is owned by a public water agency and (2) whether the facility is located on property owned or under the control of the public water agency. Both of these questions can be resolved through attestations from the entity, and indeed SCVS has provided PG&E with attestations answering these questions.

The Commission should reject PG&E's invasive requests for additional information. In its last point of "clarification," PG&E seeks the right to request and review corporate documents from entities participating in the E-PWF Tariff. Motion at 10. Alpaugh opposes PG&E's backdoor attempt to obtain proprietary corporate documents from Alpaugh, Ecoplexus, and SCVS. PG&E has no right – and no need – to request and review internal corporate documents of E-PWF Tariff participants, especially when those participants have provided attestations as to ownership and location of the facility.

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Finally, Alpaugh also opposes PG&E's request to submit any modifications of the E-PWF PPA to the Commission for approval through the Tier-2 Advice Letter process. Motion at 10. PG&E's proposal to proceed by the Tier-2 Advice Letter process is completely antithetical to a feed-in tariff such as the E-PWF Tariff. PG&E's proposal would subvert the Commission's decision to create "a simple and streamlined mechanism for certain generators to sell electricity to the utility without complex negotiations and delays." D. 07-07-027 at 2.

D. The Commission's Clarification Should Be Incorporated Into New Tariffs

As described in PG&E's Motion, since 2007, the California Legislature adopted several amendments to Public Utilities Code Section 399.20. On May 31, 2012, the Commission issued D. 12-05-035 implementing statutory amendments to Section 399.20 enacted by Senate Bill (SB) 380, SB 32, and SB 2 1X. D.12-05-035 is the first of two decisions in Rulemaking (R.) 11-05-005 that will implement a new pricing mechanism for the Commission's Section 399.20 feed-in tariff program known as the "Renewable Market Adjusting Tariff" ("Re-MAT"). On July 10, 2012, Administrative Law Judge ("ALJ") DeAngelis issued a Ruling clarifying that existing Section 399.20 feed-in tariff programs implemented under Assembly Bill ("AB") 1969 will remain effective until replaced by new tariffs.

On March 19, 2013, a Proposed Decision of ALJ DeAngelis and an Alternate Proposed Decision of Commissioner Ferron was issued adopting a Joint Standard Contract for the Section 399.20 feed-in tariff program. The Proposed Decisions each specify a process under which the AB 1969 tariffs will be replaced by new tariffs. The Proposed Decisions are pending before the Commission.

Due to the pendency of the above-referenced Proposed Decisions with the Commission, Alpaugh requests that any clarification decision or order resulting from PG&E's Motion be automatically incorporated (i.e., "grandfathered") into the new tariffs.

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III. CONCLUSION

For all of the foregoing reasons, Alpaugh respectfully requests that the Commission find that PG&E's administration of its public water and wastewater tariff is inconsistent with Commission precedent and applicable law and affirm that participation in the E-PWF Tariff is available to special purpose entities such as SCVS. Alpaugh, through SCVS, has been waiting for months for PG&E to sign the tendered E-PWF PPAs. PG&E has made it clear that it will not attempt to resolve this dispute through negotiation, and the delays have continued. Accordingly, Alpaugh respectfully requests that the Commission act with all possible speed in rejecting PG&E's Motion and clarifying that SCVS is eligible to participate in the E-PWF Tariff.

Respectfully submitted,

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Dated:

April 22, 2013

By <u>/s/ Michael S. Hindus</u> Michael S. Hindus Attorneys for Alpaugh Irrigation District

EXHIBIT A



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lectric Sample Form No. 79-1102 Section 3.20 Power Purchase Agreement

> lease Refer to Attached Sample Form

Advice Let13e6r-EN-oA Decision No. ssued by Date FFeiblroeadry 10, 2 **Brian K. Cherry** Effective January 3, 20 Vice resident <u>ResolutE-o4n4</u> 4N2o Regulation and Rates

SECTION 399.20

POWER PURCHASE AGREEMENT

BETWEEN

SUSTAINABLE CENTRAL VALLEY SOLAR I, LLC AND

PACIFIC GAS AND ELECTRIC COMPANY

PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation ("PG&E" or "Buyer"), and <u>Sustainable Central Valley Solar I, LLC</u> ("Seller") hereby enter into this Power Purchase Agreement ("Agreement"). Seller and PG&E are sometimes referred to in this Agreement jointly as "Parties" or individually as "Party." In consideration of the mutual promises and obligations stated in this Agreement and its appendices, the Parties agree as follows:

1. DOCUMENTS INCLUDED; DEFINED TERMS

This Agreement includes the following appendices, which are specifically incorporated herein and made a part of this Agreement.

Appendix A- Definitions

Appendix B- Initial Energy Delivery Date Confirmation Letter

Appendix C- Time of Delivery ("TOD") Periods and Factors

Appendix D- Counterparty Notification Requirements for Outage and Generation Schedule Changes

Appendix E- Description of the Facility

2. SELLER'S GENERATING FACILITY, PURCHASE PRICES AND PAYMENT

2.1 <u>Facility</u>. This Agreement governs PG&E's purchase of the Product from the electrical generating facility (hereinafter referred to as the "Facility" or "Unit" or "Project") as described in this Section.

2.1.1 The Facility is located at:

1/2 mile East of Rd Nr 56B on County Road J22

Earlimont, CA 93219

GPS Coordinates: 35.891405, -119.435211

Tulare County, California.

2.1.2 The Facility is named _____SCVS - Alpaugh PV 1

Electric Form 79-1102 Advice 3965-E-A February 2012 2.1.3 The Facility's primary fuel is <u>Solar</u> [i.e. biogas, hydro, etc.].

2.1.4 The Facility has a Nameplate of 1,500kilowatts ("kW"), at unity power factor at 60 degrees Fahrenheit at sea level and has a primary voltage level of 12 kilovolts ("kV"). Seller shall not modify the Facility to increase the Nameplate without the prior written consent of PG&E. The Nameplate will be net of any Station Use, or in the case of solar it will be net of any inverter losses. The Nameplate will not exceed 1,500 kW.

2.1.5 The Facility is connected to the PG&E electric system at $\underline{12}$ kV.

2.1.6 If not already capable of delivering energy on the Execution Date, the Facility's scheduled Commercial Operation Date is _____July 1, 2013_____.

2.1.7 A description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E's electric distribution or transmission system, is attached and incorporated herein as Appendix E.

2.1.8 The name and address PG&E uses to locate the electric service account(s) and premises used to interconnect the Facility with PG&E's distribution systems is:

SCVS - Alpaugh PV 1

1/2 mile East of Rd Nr 56B on County Road J22

Earlimont, CA 93219

Tulare County, California

2.2 <u>Transaction</u>. During the Delivery Term of this Agreement, as provided in Section 2.3, Seller shall sell and deliver, or cause to be delivered, and PG&E shall purchase and receive, or cause to be received, the Product from the Facility, up to 1500 kW, at the Delivery Point, as defined pursuant to Section 5.1, pursuant to Seller's election of a (check one) \square full buy/sell or \square excess sale arrangement as described in paragraphs 2.2.1 and 2.2.2 below. PG&E shall pay Seller the Contract Price, set forth in Section 2.4, in accordance with the terms hereof. In no event shall Seller have the right to procure the Product from sources other than the Facility for sale or delivery to PG&E under this Agreement or substitute such Product. PG&E shall have no obligation to receive or purchase the Product from Seller prior to the Initial Energy Delivery Date, as defined in Section 2.3, or after the end of the Delivery Term, as defined in Section 2.3. The Parties agree that the execution and performance of the Parties under this Agreement shall satisfy PG&E's obligations, if any, under the Public Utility Regulatory Policies Act and its implementing regulations, i.e., 18 C.F.R. §§ 292.303. 2.2.1 <u>Full Buy/Sell</u>. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and transformation and transmission losses to the Delivery Point into the PG&E system, together with all Green Attributes and Resource Adequacy Benefits. Seller shall purchase all energy required to serve the Facility's on-site load, net of station use, from PG&E pursuant to PG&E's applicable retail rate schedule.

2.2.2 <u>Excess Sale</u>. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and any on-site use by Seller and transformation and transmission losses to the Delivery Point into the PG&E system. Seller agrees to convey to PG&E all Green Attributes and Resource Adequacy Benefits associated with the energy sold to PG&E.

2.3 <u>Delivery Term</u>. The Seller shall deliver the Product from the Facility to PG&E for a period of (check one) \Box ten (10), \Box fifteen (15), or \mathbf{x} twenty (20) Contract Years ("Delivery Term"), which shall commence on the first date on which energy is delivered from the Facility to PG&E ("Initial Energy Delivery Date") under this Agreement and continue until the end of the last Contract Year unless terminated by the terms of this Agreement. The Initial Energy Delivery Date shall occur only when all of the following conditions have been satisfied:

(i) the Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

(ii) the Facility's status as an Eligible Renewable Energy Resource, is demonstrated by Seller's receipt of certification from the CEC and is registered in WREGIS; and

(iii) as evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the "Initial Energy Delivery Date Confirmation Letter" attached hereto as Appendix B on the Initial Energy Delivery Date.

2.4 <u>Contract Price</u>. Once both Parties have executed this Agreement PG&E shall pay Seller for each kilowatt hour ("kWh") of the Product delivered to PG&E during each Contract Year for the Delivery Term at the applicable Market Price Referent specified below for the Facility's actual Commercial Operation Date. Payment shall be adjusted by the appropriate Time of Delivery ("TOD") factor listed in <u>Appendix C.</u>

Adopted		et Price Refi- - dollars/kWh		ts	Lon
Resource	уре	10 - Year	15-	Year	

¹Note: Using 2011 as the base year, Staff calculates MPRs for 2012-2023 that reflect different project online dates. Link to 2011 MPR Model: http://www.cpuc.ca.gov/PUC/energy/Renewables/mpr

				1
2012 Baselo	ad MPR	0.0788	0.	0852
201 Baseloa	d MOP.R0810	0.08775		0.0975
2014 Baselo	ad MPR	0.08454	0.	09151
2015 Baselo	ad MPR	0.08804	0.	09520
201 Baseloa	d MP R	0.0915	0.	0988
2017 Baselo	ad MPR	0.09488	0.	1022
2018 Baselo	ad MPR	0.0981	0.	10570
2019 Baselo	ad MPR	0.1018	0.	10928
2020 Baselo	ad MPR	0.10550	0.	1129
2021 Baselo	ad MPR	0.1091	0.	1175
2022 Baselo	ad MPR	0.11299	0.	1207
202 Baseloa	d MP R	0.1191	0.	1249

2.5 <u>Billing</u>. PG&E shall pay Seller by check or Automated Clearing House transfer within approximately 30 days of the meter reading date if the value of the purchased Product in a month is at least fifty dollars (\$50); if less, PG&E may pay Seller quarterly. PG&E shall have the right, but not the obligation, to read the Facility's meter on a daily basis.

2.6 <u>Title and Risk of Loss</u>. Title to and risk of loss related to Product from the Facility shall transfer from Seller to PG&E at the Delivery Point. Seller warrants that it will deliver to PG&E the Product from the Facility free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

2.7 <u>No Additional Incentives</u>. Seller agrees that during the Term of this Agreement, Seller shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision ("D.") 01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, PG&E's net energy metering tariff, or other similar California ratepayer subsidized program relating to energy production with respect to the Facility.

2.8 <u>Private Energy Producer</u>. Seller agrees to provide to Buyer copies of each of the documents identified in PUC Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller's compliance with such PUC section. Such documentation shall be provided to Buyer within thirty (30) days of Seller's receipt of written request therefor.

3. GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS; EIRP REQUIREMENTS; ERR REQUIREMENTS

3.1 <u>Green Attributes</u>. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product

Electric Form 79-1102 Advice 3965-E-A February 2012 being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

3.2 <u>WREGIS</u>. Prior to the Initial Energy Delivery Date, Seller shall register the Facility in WREGIS and take all other actions necessary to ensure that the energy produced from the Facility is tracked for purposes of satisfying the California Renewables Portfolio Standard requirements, as may be amended or supplemented by the CPUC or CEC from time to time. Seller warrants that it shall take all necessary steps to ensure the Renewable Energy Credits transferred to Buyer under this Agreement are tracked in WREGIS and transferred in a timely manner to Buyer through WREGIS for purposes of satisfying Buyer's California Renewables Portfolio Standard Requirements, as may be amended or supplemented by the CPUC or CEC from time to time.

3.2.1 A "WREGIS Certificate Deficit" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the metered energy for the same calendar month ("Deficient Month"). If any WREGIS Certificate Deficit is caused, or the result of any action or inaction, by Seller, then the amount of the Product in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for the purposes of calculating Buyer's payment(s) to Seller. Any amount owed by Seller to Buyer because of a WREGIS Certificate Deficit shall be made as an adjustment to Seller's next monthly invoice to Buyer, and Buyer shall net such amount against Buyer's subsequent payment(s) to Seller.

3.2.2 Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

3.3 <u>Resource Adequacy Benefits</u>. In accordance with PUC Section 399.20(g), Seller conveys to PG&E all Resource Adequacy Benefits attributable to the physical generating capacity of Seller's Facility to enable PG&E to count such capacity towards PG&E's resource adequacy requirement for purposes of PUC Section 380. Seller shall take all reasonable actions and execute documents and instructions necessary to enable Buyer to secure Resource Adequacy Benefits; Seller shall comply with all applicable reporting requirements.

3.4 <u>Eligible Renewable Resource</u>. Seller will use commercially reasonable efforts to achieve and maintain status as an Eligible Renewable Energy Resource or ERR per the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

[The following Section 3.5 Eligible Intermittent Resources Protocol (EIRP) Requirements applies only to Facilities greater than 1.0 MWs]

3.5 Eligible Intermittent Resources Protocol (EIRP) Requirements. Seller shall provide Buyer with a copy of the notice from CAISO certifying the Project as a Participating Intermittent Resource as soon as practicable after Seller's receipt of such notice of certification. Following such certification (i) Seller at its sole cost shall participate in and comply with EIRP and all additional protocols issued by the CAISO relating to Participating Intermittent Resources (as defined in the CAISO Tariff), and (ii) Buyer in its limited capacity as Seller's Scheduling Coordinator shall facilitate communication with the CAISO and provide other administrative materials to CAISO as necessary to satisfy Seller's obligations as Seller's Scheduling Coordinator and to the extent such actions are at de minimis cost to Buyer.

4. REPRESENTATION AND WARRANTIES; COVENANTS

4.1 <u>Representations and Warranties</u>. On the Execution Date, each Party represents and warrants to the other Party that:

4.1.1 it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.1.2 the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

4.1.3 this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

4.1.4 it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

4.1.5 there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement; and

4.1.6 it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.

4.2 <u>General Covenants</u>. Each Party covenants that throughout the Term of this Agreement:

4.2.1 it shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.2.2 it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

4.2.3 it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

4.3 Seller Representation and Warranty and Covenant.

4.3.1 <u>Representation and Warranty</u>. In addition to the representations and warranties specified in Section 4.1, Seller makes the following additional representations and warranties as of the Execution Date:

(a) Seller's Facility is (check one) \Box a facility owned by a state, local, or federal agency and used in the treatment or reclamation of sewage and industrial wastes; or \mathbf{x} a facility owned by a state, local, or federal agency that develops, stores, distributes or supplies water.

(b) Facility has not received an incentive under the Self-Generation Incentive Program, as defined in CPUC D.01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, or PG&E's net energy metering tariff.

(c) Seller's execution of this Agreement will not violate PUC Section 2821(d)(1) if applicable.

(d) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(e) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

Electric Form 79-1102 Advice 3965-E-A February 2012 4.3.2 <u>Covenant</u>. Seller hereby covenants that throughout the Term of the Agreement, the Facility is, or will qualify prior to the Initial Energy Delivery Date, as an ERR, specifically, Seller and, if applicable, its successors, represents and warrants throughout the term of the Delivery Term of each Transaction entered into under this Agreement that: (a) the Unit(s) qualifies and is certified by the CEC as an Eligible Renewable Energy Resource; and (b) the Unit(s) output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

5. GENERAL CONDITIONS

5.1 <u>Facility Care, Interconnection and Transmission Service</u>. If PG&E does not deem Seller's existing interconnection service, equipment and agreement satisfactory for the delivery of energy under this Agreement, Seller shall execute a Small Generator Interconnection Agreement with PG&E's Generation Interconnection Services Department and pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations and shall comply with all applicable PG&E, CAISO, CPUC and FERC tariff provisions, including applicable interconnection and metering requirements. Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols. During the Delivery Term, Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with PG&E. To make deliveries to PG&E, Seller must maintain an interconnection agreement with PG&E in full force and effect.

5.2 <u>Metering Requirements</u>. Seller shall comply with all applicable rules in installing a meter appropriate for deliveries pursuant to the Full Buy/Sell or Excess Sale arrangement selected in paragraph 2.2, above, which can be electronically read daily by: (a) a telephone and modem; (b) an analog or digital phone connection; or (c) an internet portal address for PG&E's Energy Data Services ("EDS"). Seller shall be responsible for procuring and maintaining the communication link to electronically retrieve this metering data.

5.3 <u>Standard of Care</u>. Seller shall: (a) maintain and operate the Facility and Interconnection Facilities, except facilities installed by PG&E, in conformance with all applicable laws and regulations and in accordance with Good Utility Practices, as defined by PG&E's Wholesale Distribution Tariff and the CAISO Tariff, as they may be amended, supplemented or replaced (in whole or in part) from time to time; (b) obtain any governmental authorizations and permits required for the construction and operation thereof; and (c) generate, schedule and perform transmission services in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs and Good Utility Practices, as provided in clause (a) above. Seller shall reimburse PG&E for any and all losses, damages, claims, penalties, or liability PG&E incurs as a result of Seller's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facility throughout the Term of this Agreement. 5.4 <u>Access Rights</u>. PG&E, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to PG&E by law, or its tariff schedules, PG&E Interconnection Handbook and rules on file with the CPUC. PG&E shall make reasonable efforts to coordinate its emergency activities with the Safety and Security Departments, if any, of the Facility operator. Seller shall keep PG&E advised of current procedures for communicating with the Facility operator's Safety and Security Departments.

5.5 <u>Protection of Property</u>. Each Party shall be responsible for protecting its own facilities from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities and such other Party shall not be liable for any such damages so caused.

5.6 PG&E Performance Excuse; Seller Curtailment.

5.6.1 <u>PG&E Performance Excuse</u>. PG&E shall not be obligated to accept or pay for the Product from the Facility during a Dispatch Down Period, or Force Majeure, as defined in <u>Appendix A</u>.

5.6.2 <u>Seller Curtailment</u>. PG&E may require Seller to interrupt or reduce deliveries of energy: (a) when necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of PG&E's transmission system or distribution system or facilities; or (b) if PG&E or the CAISO determines that curtailment, interruption, or reduction is necessary because of a System Emergency, as defined in the CAISO Tariff, Forced Outage, Force Majeure as defined in <u>Appendix A</u>, or compliance with Good Utility Practice, as such term is defined in the CAISO Tariff.

5.7 <u>Notices of Outages</u>. Whenever possible, PG&E shall give Seller reasonable notice of the possibility that interruption or reduction of deliveries may be required.

5.8 Greenhouse Gas Emissions: During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions *attributable to the generation of Energy*, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer's written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments *with respect to generation by the Project* reasonably necessary to permit Buyer to comply with such requirements, if any.

6. INDEMNITY

Each Party as indemnitor shall save harmless and indemnify the other Party and the directors, officers, and employees of such other Party against and from any and all loss and liability for injuries to persons including employees of either Party, and damages, including

Electric Form 79-1102 Advice 3965-E-A February 2012 property of either Party, resulting from or arising out of: (a) the engineering, design, construction, maintenance, or operation of; or (b) the installation of replacements, additions, or betterments to the indemnitor's facilities. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss, resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

7. LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EOUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6 (INDEMNITY). IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

8. NOTICES

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). Whenever this Agreement requires or permits delivery of a "notice" (or requires a Party to "notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or email will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All written notices shall be directed as follows:

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TO PG&E:	Pacific Gas and Electric Company						
	Attention: Manager, Contract Manag	ement					
	245 Market Street, Mail Code N12E						
	San Francisco, CA 94177-0001						
TO SELLER:	Alpaugh Irrigation District	Sustainable Central Valley Solar I, LLC					
	Attn: Kevin Couch	Attn: Erik Stuebe					
	PO Box 129	650 Townsend Street, Suite 310					
	Alpaugh, CA 93201	San Francisco, CA 94103					
	email: kcouch@alpaughid.com	email: eriks@ecoplexus.com					
INICI ID ANICE							

9. INSURANCE

9.1 General Liability Coverage.

9.1.1 Seller shall maintain during the performance hereof, General Liability Insurance² of not less than \$1,000,000 if the Facility's Nameplate is over 100 kW, \$500,000 if the Facility's Nameplate is over 20 kW to 100kW or \$100,000 if the Facility' Nameplate is 20 kW or below of combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.

9.1.2 General Liability Insurance shall include coverage for Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.

9.1.3 Such insurance shall provide for thirty (30) days written notice to PG&E prior to cancellation, termination, alteration, or material change of such insurance.

9.2 Additional Insurance Provisions.

9.2.1 Evidence of coverage described above in Paragraph 9.1 shall state that coverage provided in primary and is not excess to or contributing with any insurance or self-insurance maintained by PG&E.

9.2.2 PG&E shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

9.2.3 Seller shall furnish the required certificates and endorsements to PG&E prior to commencing operation.

 $[\]frac{2}{2}$ Governmental agencies which have an established record of self-insurance may provide the required coverage through self-insurance.

9.2.4 All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Pacific Gas and Electric CompanyAttention: Manager, Insurance Department77 Beale Street, Room E280San Francisco, CA 94105

10. TERM, DEFAULT, TERMINATON EVENT AND TERMINATION

10.1 <u>Term</u>. The term of this Agreement shall commence upon the later of: (i) execution by the duly authorized representatives of each of PG&E and Seller; or (ii) when PG&E notifies Seller that PG&E can accommodate Seller's Facility in PG&E's proportionate share of the statewide cumulative total of 250 MW as specified in PUC Section 399.20(e), and shall remain in effect until the conclusion of the Delivery Term or unless terminated sooner pursuant to Section 10.3 of this Agreement (the "Term"). All indemnity rights shall survive the termination of this Agreement for twelve (12) months.

10.2 <u>Termination Event</u>. Buyer shall be entitled to terminate the Agreement upon the occurrence of any of the following, each of which is a "Termination Event":

(a) The Facility has not achieved Commercial Operation within eighteen (18) months of the Execution Date of this Agreement;

(b) Seller has not sold or delivered the Product from the Facility to PG&E for a period of twelve (12) consecutive months;

(c) Seller breaches its covenant to maintain its status as an ERR as set forth in Section 4.3.2. of the Agreement.

10.3 <u>Termination</u>.

10.3.1 Declaration of a Termination Event. If a Termination Event has occurred and is continuing, Buyer shall have the right to: (a) send notice, designating a day, no earlier than five days after such notice is deemed to be received (as provided in Section 8) and no later than 20 days after such notice is deemed to be received (as provided in Section 8), as an early termination date of this Agreement ("Early Termination Date") unless Seller has timely communicated with Buyer and the Parties have agreed to resolve the circumstances giving rise to the termination Event; (b) accelerate all amounts owing between the Parties; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date.

10.3.2 <u>Release of Liability for Termination Event</u>. Upon termination of this Agreement pursuant to Section 10.3.1, neither Party shall be under any further obligation or subject to liability hereunder, except with respect to the indemnity provision in Section 6 hereof, which shall remain in effect for a period of 12 months following the Early Termination Date.

11. SCHEDULING

11.1 <u>Scheduling Obligations</u>. PG&E shall be Seller's designated Scheduling Coordinator (as defined by CAISO tariff). PG&E will schedule Seller' project using Prudent Utility Practices and Seller shall employ Prudent Utility Practices and exercise reasonable efforts to operate and maintain its project. All generation interconnection and scheduling services shall be performed in accordance with all applicable operating policies, criteria, guidelines and tariffs of the CAISO or its successor, and any other generally accepted operational requirements. Seller, at its own expense, shall be responsible for complying with all applicable contractual, metering and interconnection requirements. Seller shall promptly notify PG&E of significant (i.e., greater than 100 kW) changes to its energy schedules using PG&E's web site (see <u>Appendix D</u>). Seller will exercise reasonable efforts to comply with conditions that might arise if the CAISO modifies or amends its tariffs, standards, requirements, and/or protocols in the future.

11.2 CAISO Charges.

11.2.1 <u>CAISO</u> Charge Obligations. PG&E and Seller shall cooperate to minimize CAISO delivery imbalances and any resulting fees, liabilities, assessments or similar charges assessed by the CAISO ("CAISO Charges") to the extent possible, and shall each promptly notify the other as soon as possible of any material loss of system capability, deviation or imbalance that is occurring or has occurred. Seller shall reimburse PG&E for any CAISO Charges PG&E incurs as a result of Seller's loss of system capability, deviation or imbalance. Any such CAISO Charges reimbursable to PG&E shall be limited to the period until the commencement of the next settlement period following Seller's notification for which the delivery schedule can be adjusted. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its schedule on the actual date and time of delivery for any reason (other than an adjustment imposed by CAISO) which results in differences between the project's actual generation and the scheduled generation (whether in part or in whole), Seller shall use reasonable efforts to notify PG&E. PG&E will make commercially reasonable efforts to accommodate Seller's changes and mitigate any imbalance penalties or charges levied for such changes.

11.2.2 <u>CAISO Penalties</u>. Seller shall be responsible for any "non-Performance Penalties" assessed to PG&E by the CAISO ("CAISO Penalties"), under the CAISO Tariff Enforcement Protocol, and not due to any fault of PG&E, which shall include, without limitation, any deviation, imbalance or uninstructed energy charges or penalties payable to the CAISO that are due to the fault of Seller. To the extent that Seller materially deviates from its energy schedules (other than an adjustment imposed by the CAISO, a

deviation due to any fault of PG&E, or an excused Seller failure to deliver, whether for reasons of Force Majeure or otherwise), and such departure results in CAISO Penalties being assessed to PG&E, such CAISO Penalties shall be passed on to Seller. Any such CAISO Penalties passed on to Seller shall be limited to the period until the commencement of the next settlement period following Seller's notification (as described above) for which the delivery schedule can be adjusted.

12. CONFIDENTIALITY

Seller authorizes PG&E to release to the California Energy Commission ("CEC") and/or the CPUC information regarding the Facility, including the Seller's name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, the Initial Energy Delivery Date and the net power rating of the Facility, as requested from time to time pursuant to the CEC's or CPUC's rules and regulations.

13. ASSIGNMENT

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

14. GOVERNING LAW

This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

15. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by the CPUC or any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

16. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

17. GENERAL

The CPUC has reviewed and approved this Agreement. No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

PACIFIC GAS AND ELECTRIC COMPANY

By:	Date:
Name:	
Title:	
SELLER	
By:	Date: 11/15/2012
Name: Kevin Couch	
Title: General Manager, Alpaugh In	igation district
Manager, Sustainable Centra	l Valley Solar I, LLC

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This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

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The CPUC has reviewed and approved this Agreement. No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

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PACIFIC GAS AND ELECTRIC COMPANY

By:	Date:
Name:	
Title:	
SELLER	
ву:	Date: 11/15/2012
Name: Kevin Couch	
Title:General Manager, Alpaugh Ir	rigation district
Manager, Sustainable Centra	al Valley Solar I, LLC

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Appendix A DEFINITIONS

"Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday during the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party's principal place of business where the relevant Party in each instance shall be the Party from whom the notice, payment or delivery is being sent.

"CAISO" means the California Independent System Operator Corporation or any successor entity performing similar functions.

"CAISO Tariff" means the CAISO FERC Electric Tariff, Third Replacement Volume No. 1, as amended from time to time.

"California Renewables Portfolio Standard" means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

"CEC" means the California Energy Commission or its successor agency.

"Commercial Operation Date" means the date on which the Facility is operating and is in compliance with applicable interconnection and system protection requirements, and able to produce and deliver energy to PG&E pursuant to the terms of this Agreement.

"Contract Year" means a period of twelve (12) consecutive months with the first Contract Year commencing on the first day of the month immediately following the Initial Energy Delivery Date and each subsequent Contract Year commencing on the anniversary of the Initial Energy Delivery Date.

"CPUC" means the California Public Utilities Commission, or successor entity.

"Delivery Point" means the point of interconnection to the PG&E distribution or transmission system.

"Dispatch Down Period" means: (a) curtailments ordered by the CAISO or PG&E as a result of a System Emergency, as defined in the CAISO Tariff; or (b) scheduled or unscheduled maintenance on PG&E's transmission, distribution or interconnection facilities that prevents Buyer from receiving Delivered Energy at the Delivery Point. Notwithstanding the foregoing sentence, Buyer shall have the option in its sole discretion to curtail Seller's energy deliveries up to 50 (fifty) hours each calendar year.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in Public Utilities Code Sections 399.12 and California Public Resources Code Section 25741, as either code provision may be amended or supplemented from time to time.

"Execution Date" means the latest signature date found at the end of the Agreement.

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"Forced Outage" means any unplanned reduction or suspension of the electrical output from the Facility resulting in the unavailability of the Facility, in whole or in part, in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of the Facility for operation, in whole or in part, for maintenance or repair that is not a scheduled maintenance outage and not the result of Force Majeure.

"Force Majeure" means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby. Force Majeure shall not be based on: (i) PG&E's inability economically to use or resell the energy or capacity purchased hereunder; (ii) Seller's ability to sell the energy, capacity or other benefits produced by or associated with the Facility at a price greater than the price set forth in this Agreement, (iii) Seller's inability to obtain approvals of any type for the construction, operation, or maintenance of the Facility; (iv) Seller's inability to obtain sufficient fuel to operate the Facility, except if Seller's inability to obtain sufficient fuel is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (v) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (vi) a strike or labor dispute limited only to Seller, Seller's affiliates, the Engineering, Procurement, and Construction Contractor or subcontractors thereof; or (vii) any equipment failure not caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Maieure.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;³ (3) the reporting rights to these

³ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Law" means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing. "Market Price Referent" means the market price referent applicable to this Agreement, as determined by the CPUC in accordance with Public Utilities Code Section 399.15(c), as may be amended or modified from time to time.

"Nameplate" has the meaning set forth in Section 2.1.4.

"Product" means the Energy (net of Station Use), capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Facility, including, without limitation, renewable attributes, Renewable Energy Credits, Resource Adequacy Benefits and Green Attributes.

"Renewable Energy Credit" has the meaning set forth in Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"Resource Adequacy Benefits" means the rights and privileges attached to the Facility that satisfy any entity's resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Facility. "Resource Adequacy Rulings" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable governmental authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.

"Station Use" means energy consumed within the Facility's electric energy distribution system as losses, as well as energy used to operate the Facility's auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuel handling systems, control systems, and sump pumps.

"WREGIS" means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

"WREGIS Certificate Deficit" has the meaning set forth in Section 3.2.

Electric Form 79-1102 Advice 3965-E-A February 2012

Appendix **B**

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Section 399.20 Power Purchase Agreement dated ______("Agreement") by and between Pacific Gas and Electric Company ("PG&E") and _______("Seller"), this letter serves to document the parties further agreement that (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and PG&E has received the energy, as specified in the Agreement, as of this ______ day of ______. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By:	By: Pacific Gas and Electric Company
Signed:	Signed:
Name: Kevin Couch	Name:
General Manager, Alpaugh Irrigation District Title: Manager, Sustainable Central Valley Solar I, LLC	Title:
Date:11/15/2012	Date:

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Appendix B

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Section 399.20 Power Purchase Agreement dated _____("Agreement") by and between Pacific Gas and Electric Company ("PG&E") and _____("Seller"), this letter serves to document the parties further agreement that (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and PG&E has received the energy, as specified in the Agreement, as of this _____ day of _____, ____. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By:	By: Pacific Gas and Electric Company
Signed: 1.1.1	Signed:
Name: Kevin Couch	Name:
General Manager, Alpaugh Irrigation District Title: Manager, Sustainable Central Valley Solar I, LLC	Title:
Date: 11/15/2012	Date:

Electric Form 79-1102 Advice 3965 E A February 2012

Appendix C		
Time of Delivery (TOD) Periods	& Fa	actors

Monthly Period	Super-Peak ¹	Shoulder ²	Night ³
Jun – Sep	2.38	1.12	0.59
Oct Dec., Jan. & Feb.	1.10	.94	0.66
Mar. – May	1.22	0.90	0.61

Definitions:

 * *Super-Peak (5x8) = HE (Hours Ending) 13 – 20 (Pacific Prevailing Time (PPT)), Monday - Friday (*except* NERC holidays) in the applicable Monthly Period.

- Shoulder = HE 7 12, 21 and 22 PPT, Monday Friday (*except* NERC holidays); and HE
 7 22 PPT Saturday, Sunday and *all* NERC holidays in the applicable Monthly Period.
- 3. Night (7x8) = HE 1 6, 23 and 24 PPT all days *(including NERC holidays)* in the applicable Monthly Period.
- "NERC Holidays" mean the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the 4th Thursday in November. New Year's Day, Independence Day, and Christmas Day, by definition, are predetermined dates each year. However, in the event they occur on a Sunday, the "NERC Holiday" is celebrated on the Monday immediately following that Sunday. However, if any of these days occur on a Saturday, the "NERC Holiday" remains on that Saturday.

Appendix D

COUNTERPARTY NOTIFICATION AND FORECASTING REQUIREMENTS

A. NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN

Prior to paralleling to or after disconnecting from the electric system, ALWAYS notify your designated Distribution Operator as follows:

- 1. Call your Distribution Operator for permission to parallel before any start-up.
- 2. Call your Distribution Operator again after start-up with parallel time.
- 3. Call your Distribution Operator after any separation and report separation time as well as date and time estimate for return to service.

B. FORECASTING REQUIREMENTS

1. Seller shall abide with all established requirements and procedures described below:

(a) Generating Facilities 1000 kW and greater must comply with the CAISO Tariff and Protocols while generating facilities under 1000 kW must comply with all applicable interconnection, communication and metering rules; and

(b) Generating Facilities 100 kW and greater must provide a weekly forecast of their expected generation output.

2. Weekly Energy Forecasting Procedures.

Seller must meet all of the following requirements specified below:

Beginning the Wednesday prior to the planned Initial Operation of the Generating Facility, Seller will electronically provide PG&E with an Energy Forecast for the next calendar week, by no later than 5 PM Wednesday of the week preceding the week covered by the Energy Forecast.

The Weekly Energy Forecast submitted to PG&E shall: a) Not include any anticipated or expected electric energy losses; b) Be submitted using PG&E's website at https://www.pge.com/qic, or as otherwise instructed by PG&E; c) Include Seller's contact information; d) Limit Day Ahead forecast changes to no less than 100 kW.
3. Outage and Scheduled Maintenance Reporting Procedures.

Submit outage information by posting on PG&E's website at https://www.pge.com/qic . If the website is unavailable, implement the procedures set forth below:

For project outages, complete the specifics below and submit by email to DAenergy@pge.com and Bilat Settlements@pge.com

Email subject Field: dd/mm/yyyy – dd/mm/yyyy XYZ Company Project #2 Outage Notification

Email body:

Type of Outage: Planned Outage, Forced Outage, Prolonged Outage Start Date and Start Time Estimated or Actual End Date and End Time Date and time when reported to PG&E and name(s) of PG&E representative(s)contacted.

C. CHANGES TO OPERATING PROCEEDURES.

Seller understands and acknowledges that the specified transmission and scheduling mechanisms, metering requirements, Forecasting, Outage and Scheduling Maintenance Reporting Procedures described therein are subject to change by Buyer from time to time and, upon receipt of Notice of any such changes, Seller agrees to work in good faith to implement any such changes as reasonably deemed necessary by Buyer; provided that such change does not result in an increase cost of performance to Seller hereunder other than de minimis amounts.

Appendix E

Attach a description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E's electric distribution or transmission system.

The Facility will utilize standard polysilicon photovoltaic modules from a top tier supplier, and inverters from a

top tier inverter company. The system will utilize single axis tracking and will be interconnected to the PG&E grid at the PG&E distribution line closest to the solar generating facility.

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EXHIBIT B



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SECTION 399.20

POWER PURCHASE AGREEMENT

BETWEEN

SUSTAINABLE CENTRAL VALLEY SOLAR I, LLC AND

PACIFIC GAS AND ELECTRIC COMPANY

PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation ("PG&E" or "Buyer"), and <u>Sustainable Central Valley Solar I, LLC</u> ("Seller") hereby enter into this Power Purchase Agreement ("Agreement"). Seller and PG&E are sometimes referred to in this Agreement jointly as "Parties" or individually as "Party." In consideration of the mutual promises and obligations stated in this Agreement and its appendices, the Parties agree as follows:

1. DOCUMENTS INCLUDED; DEFINED TERMS

This Agreement includes the following appendices, which are specifically incorporated herein and made a part of this Agreement.

Appendix A- Definitions

Appendix B- Initial Energy Delivery Date Confirmation Letter

Appendix C- Time of Delivery ("TOD") Periods and Factors

Appendix D- Counterparty Notification Requirements for Outage and Generation Schedule Changes

Appendix E- Description of the Facility

2. SELLER'S GENERATING FACILITY, PURCHASE PRICES AND PAYMENT

2.1 <u>Facility</u>. This Agreement governs PG&E's purchase of the Product from the electrical generating facility (hereinafter referred to as the "Facility" or "Unit" or "Project") as described in this Section.

2.1.1 The Facility is located at:

Approximately 0.75 miles North of County Road J22 on Central Valley Highway 43

Earlimont, CA 93219

GPS Coordinates: 35.899706,-119.413975

Tulare County, California.

2.1.2 The Facility is named _____SCVS - Alpaugh PV 2

2.1.3 The Facility's primary fuel is <u>Solar</u> [i.e. biogas, hydro, etc.].

2.1.4 The Facility has a Nameplate of 1,500kilowatts ("kW"), at unity power factor at 60 degrees Fahrenheit at sea level and has a primary voltage level of 12 kilovolts ("kV"). Seller shall not modify the Facility to increase the Nameplate without the prior written consent of PG&E. The Nameplate will be net of any Station Use, or in the case of solar it will be net of any inverter losses. The Nameplate will not exceed 1,500 kW.

2.1.5 The Facility is connected to the PG&E electric system at <u>12</u> kV.

2.1.6 If not already capable of delivering energy on the Execution Date, the Facility's scheduled Commercial Operation Date is _____July 1, 2014_____.

2.1.7 A description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E's electric distribution or transmission system, is attached and incorporated herein as Appendix E.

2.1.8 The name and address PG&E uses to locate the electric service account(s) and premises used to interconnect the Facility with PG&E's distribution systems is:

SCVS - Alpaugh PV 2

Approximately 0.75 miles North of County Road J22 on Central Valley Highway 43

Earlimont, CA 93219

Tulare County, California

2.2 <u>Transaction</u>. During the Delivery Term of this Agreement, as provided in Section 2.3, Seller shall sell and deliver, or cause to be delivered, and PG&E shall purchase and receive, or cause to be received, the Product from the Facility, up to 1500 kW, at the Delivery Point, as defined pursuant to Section 5.1, pursuant to Seller's election of a (check one) **X** full buy/sell or * excess sale arrangement as described in paragraphs 2.2.1 and 2.2.2 below. PG&E shall purchase **Section Cechtral Valley Highway 43** accordance with the terms hereof. In no event shall Seller have the right to procure the Product from sources other than the Facility for sale or delivery to PG&E under this Agreement or substitute such Product. PG&E shall have no obligation to receive or purchase the Product from Seller prior to the Initial Energy Delivery Date, as defined in Section 2.3, or after the end of the Delivery Term, as defined in Section 2.3. The Parties agree that the execution and performance of the Parties under this Agreement shall satisfy PG&E's obligations, if any, under the Public Utility Regulatory Policies Act and its implementing regulations, i.e., 18 C.F.R. §§ 292.303. 2.2.1 <u>Full Buy/Sell</u>. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and transformation and transmission losses to the Delivery Point into the PG&E system, together with all Green Attributes and Resource Adequacy Benefits. Seller shall purchase all energy required to serve the Facility's on-site load, net of station use, from PG&E pursuant to PG&E's applicable retail rate schedule.

2.2.2 <u>Excess Sale</u>. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and any on-site use by Seller and transformation and transmission losses to the Delivery Point into the PG&E system. Seller agrees to convey to PG&E all Green Attributes and Resource Adequacy Benefits associated with the energy sold to PG&E.

2.3 <u>Delivery Term</u>. The Seller shall deliver the Product from the Facility to PG&E for a period of (check one) * ten (10), * fifteen (15), or $\mathbf{\dot{x}}$ twenty (20) Contract Years ("Delivery Term"), which shall commence on the first date on which energy is delivered from the Facility to PG&E ("Initial Energy Delivery Date") under this Agreement and continue until the end of the last Contract Year unless terminated by the terms of this Agreement. The Initial Energy Delivery Date shall occur only when all of the following conditions have been satisfied:

(i) the Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

(ii) the Facility's status as an Eligible Renewable Energy Resource, is demonstrated by Seller's receipt of certification from the CEC and is registered in WREGIS; and

(iii) as evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the "Initial Energy Delivery Date Confirmation Letter" attached hereto as Appendix B on the Initial Energy Delivery Date.

2.4 <u>Contract Price</u>. Once both Parties have executed this Agreement PG&E shall pay Seller for each kilowatt hour ("kWh") of the Product delivered to PG&E during each Contract Year for the Delivery Term at the applicable Market Price Referent specified below for the Facility's actual Commercial Operation Date. Payment shall be adjusted by the appropriate Time of Delivery ("TOD") factor listed in <u>Appendix C.</u>

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¹ Note: Using 2011 as the base year, Staff calculates MPRs for 2012-2023 that reflect different project online dates. Link to 2011 MPR Model: http://www.cpuc.ca.gov/PUC/energy/Renewables/mpr

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2.5 <u>Billing</u>. PG&E shall pay Seller by check or Automated Clearing House transfer within approximately 30 days of the meter reading date if the value of the purchased Product in a month is at least fifty dollars (\$50); if less, PG&E may pay Seller quarterly. PG&E shall have the right, but not the obligation, to read the Facility's meter on a daily basis.

2.6 <u>Title and Risk of Loss</u>. Title to and risk of loss related to Product from the Facility shall transfer from Seller to PG&E at the Delivery Point. Seller warrants that it will deliver to PG&E the Product from the Facility free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

2.7 <u>No Additional Incentives</u>. Seller agrees that during the Term of this Agreement, Seller shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision ("D.") 01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, PG&E's net energy metering tariff, or other similar California ratepayer subsidized program relating to energy production with respect to the Facility.

2.8 <u>Private Energy Producer</u>. Seller agrees to provide to Buyer copies of each of the documents identified in PUC Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller's compliance with such PUC section. Such documentation shall be provided to Buyer within thirty (30) days of Seller's receipt of written request therefor.

3. GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS; EIRP REQUIREMENTS; ERR REQUIREMENTS

3.1 <u>Green Attributes</u>. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product

being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

3.2 <u>WREGIS</u>. Prior to the Initial Energy Delivery Date, Seller shall register the Facility in WREGIS and take all other actions necessary to ensure that the energy produced from the Facility is tracked for purposes of satisfying the California Renewables Portfolio Standard requirements, as may be amended or supplemented by the CPUC or CEC from time to time. Seller warrants that it shall take all necessary steps to ensure the Renewable Energy Credits transferred to Buyer under this Agreement are tracked in WREGIS and transferred in a timely manner to Buyer through WREGIS for purposes of satisfying Buyer's California Renewables Portfolio Standard Requirements, as may be amended or supplemented by the CPUC or CEC from time to time.

3.2.1 A "WREGIS Certificate Deficit" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the metered energy for the same calendar month ("Deficient Month"). If any WREGIS Certificate Deficit is caused, or the result of any action or inaction, by Seller, then the amount of the Product in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for the purposes of calculating Buyer's payment(s) to Seller. Any amount owed by Seller to Buyer because of a WREGIS Certificate Deficit shall be made as an adjustment to Seller's next monthly invoice to Buyer, and Buyer shall net such amount against Buyer's subsequent payment(s) to Seller.

3.2.2 Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

3.3 <u>Resource Adequacy Benefits</u>. In accordance with PUC Section 399.20(g), Seller conveys to PG&E all Resource Adequacy Benefits attributable to the physical generating capacity of Seller's Facility to enable PG&E to count such capacity towards PG&E's resource adequacy requirement for purposes of PUC Section 380. Seller shall take all reasonable actions and execute documents and instructions necessary to enable Buyer to secure Resource Adequacy Benefits; Seller shall comply with all applicable reporting requirements.

3.4 <u>Eligible Renewable Resource</u>. Seller will use commercially reasonable efforts to achieve and maintain status as an Eligible Renewable Energy Resource or ERR per the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

[The following Section 3.5 Eligible Intermittent Resources Protocol (EIRP) Requirements applies only to Facilities greater than 1.0 MWs]

3.5 Eligible Intermittent Resources Protocol (EIRP) Requirements. Seller shall provide Buyer with a copy of the notice from CAISO certifying the Project as a Participating Intermittent Resource as soon as practicable after Seller's receipt of such notice of certification. Following such certification (i) Seller at its sole cost shall participate in and comply with EIRP and all additional protocols issued by the CAISO relating to Participating Intermittent Resources (as defined in the CAISO Tariff), and (ii) Buyer in its limited capacity as Seller's Scheduling Coordinator shall facilitate communication with the CAISO and provide other administrative materials to CAISO as necessary to satisfy Seller's obligations as Seller's Scheduling Coordinator and to the extent such actions are at de minimis cost to Buyer.

4. REPRESENTATION AND WARRANTIES; COVENANTS

4.1 <u>Representations and Warranties</u>. On the Execution Date, each Party represents and warrants to the other Party that:

4.1.1 it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.1.2 the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

4.1.3 this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

4.1.4 it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

4.1.5 there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement; and

4.1.6 it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.

4.2 <u>General Covenants</u>. Each Party covenants that throughout the Term of this Agreement:

4.2.1 it shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.2.2 it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

4.2.3 it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

4.3 Seller Representation and Warranty and Covenant.

4.3.1 <u>Representation and Warranty</u>. In addition to the representations and warranties specified in Section 4.1, Seller makes the following additional representations and warranties as of the Execution Date:

(a) Seller's Facility is (check one) * a facility owned by a state, local, or federal agency and used in the treatment or reclamation of sewage and industrial wastes; or $\mathbf{\hat{x}}$ a facility owned by a state, local, or federal agency that develops, stores, distributes or supplies water.

(b) Facility has not received an incentive under the Self-Generation Incentive Program, as defined in CPUC D.01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, or PG&E's net energy metering tariff.

(c) Seller's execution of this Agreement will not violate PUC Section 2821(d)(1) if applicable.

(d) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(e) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

4.3.2 <u>Covenant</u>. Seller hereby covenants that throughout the Term of the Agreement, the Facility is, or will qualify prior to the Initial Energy Delivery Date, as an ERR, specifically, Seller and, if applicable, its successors, represents and warrants throughout the term of the Delivery Term of each Transaction entered into under this Agreement that: (a) the Unit(s) qualifies and is certified by the CEC as an Eligible Renewable Energy Resource; and (b) the Unit(s) output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

5. GENERAL CONDITIONS

5.1 Facility Care, Interconnection and Transmission Service. If PG&E does not deem Seller's existing interconnection service, equipment and agreement satisfactory for the delivery of energy under this Agreement, Seller shall execute a Small Generator Interconnection Agreement with PG&E's Generation Interconnection Services Department and pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations and shall comply with all applicable PG&E, CAISO, CPUC and FERC tariff provisions, including applicable interconnection and metering requirements. Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols. During the Delivery Term, Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with PG&E. To make deliveries to PG&E, Seller must maintain an interconnection agreement with PG&E in full force and effect.

5.2 <u>Metering Requirements</u>. Seller shall comply with all applicable rules in installing a meter appropriate for deliveries pursuant to the Full Buy/Sell or Excess Sale arrangement selected in paragraph 2.2, above, which can be electronically read daily by: (a) a telephone and modem; (b) an analog or digital phone connection; or (c) an internet portal address for PG&E's Energy Data Services ("EDS"). Seller shall be responsible for procuring and maintaining the communication link to electronically retrieve this metering data.

5.3 <u>Standard of Care</u>. Seller shall: (a) maintain and operate the Facility and Interconnection Facilities, except facilities installed by PG&E, in conformance with all applicable laws and regulations and in accordance with Good Utility Practices, as defined by PG&E's Wholesale Distribution Tariff and the CAISO Tariff, as they may be amended, supplemented or replaced (in whole or in part) from time to time; (b) obtain any governmental authorizations and permits required for the construction and operation thereof; and (c) generate, schedule and perform transmission services in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs and Good Utility Practices, as provided in clause (a) above. Seller shall reimburse PG&E for any and all losses, damages, claims, penalties, or liability PG&E incurs as a result of Seller's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facility throughout the Term of this Agreement. 5.4 <u>Access Rights</u>. PG&E, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to PG&E by law, or its tariff schedules, PG&E Interconnection Handbook and rules on file with the CPUC. PG&E shall make reasonable efforts to coordinate its emergency activities with the Safety and Security Departments, if any, of the Facility operator. Seller shall keep PG&E advised of current procedures for communicating with the Facility operator's Safety and Security Departments.

5.5 <u>Protection of Property</u>. Each Party shall be responsible for protecting its own facilities from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities and such other Party shall not be liable for any such damages so caused.

5.6 PG&E Performance Excuse; Seller Curtailment.

5.6.1 <u>PG&E Performance Excuse</u>. PG&E shall not be obligated to accept or pay for the Product from the Facility during a Dispatch Down Period, or Force Majeure, as defined in <u>Appendix A</u>.

5.6.2 <u>Seller Curtailment</u>. PG&E may require Seller to interrupt or reduce deliveries of energy: (a) when necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of PG&E's transmission system or distribution system or facilities; or (b) if PG&E or the CAISO determines that curtailment, interruption, or reduction is necessary because of a System Emergency, as defined in the CAISO Tariff, Forced Outage, Force Majeure as defined in <u>Appendix A</u>, or compliance with Good Utility Practice, as such term is defined in the CAISO Tariff.

5.7 <u>Notices of Outages</u>. Whenever possible, PG&E shall give Seller reasonable notice of the possibility that interruption or reduction of deliveries may be required.

5.8 Greenhouse Gas Emissions: During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions *attributable to the generation of Energy*, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer's written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments *with respect to generation by the Project* reasonably necessary to permit Buyer to comply with such requirements, if any.

6. INDEMNITY

Each Party as indemnitor shall save harmless and indemnify the other Party and the directors, officers, and employees of such other Party against and from any and all loss and liability for injuries to persons including employees of either Party, and damages, including

property of either Party, resulting from or arising out of: (a) the engineering, design, construction, maintenance, or operation of; or (b) the installation of replacements, additions, or betterments to the indemnitor's facilities. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss, resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

7. LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EOUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6 (INDEMNITY). IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

8. NOTICES

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). Whenever this Agreement requires or permits delivery of a "notice" (or requires a Party to "notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or email will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All written notices shall be directed as follows:

TO PG&E:	Pacific Gas and Electric Company	7
	Attention: Manager, Contract Ma	nagement
	245 Market Street, Mail Code N12	2E
	San Francisco, CA 94177-0001	
TO SELLER:	Alpaugh Irrigation District	Sustainable Central Valley Solar I, LLC
	Attn: Kevin Couch	Attn: Erik Stuebe
	PO Box 129	650 Townsend Street, Suite 310
	Alpaugh, CA 93201	San Francisco, CA 94103
INSTIDANCE	email: kcouch@alpaughid.com	email: eriks@ecoplexus.com

9. INSURANCE

9.1 General Liability Coverage.

9.1.1 Seller shall maintain during the performance hereof, General Liability Insurance² of not less than \$1,000,000 if the Facility's Nameplate is over 100 kW, \$500,000 if the Facility's Nameplate is over 20 kW to 100kW or \$100,000 if the Facility' Nameplate is 20 kW or below of combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.

9.1.2 General Liability Insurance shall include coverage for Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.

9.1.3 Such insurance shall provide for thirty (30) days written notice to PG&E prior to cancellation, termination, alteration, or material change of such insurance.

9.2 Additional Insurance Provisions.

9.2.1 Evidence of coverage described above in Paragraph 9.1 shall state that coverage provided in primary and is not excess to or contributing with any insurance or self-insurance maintained by PG&E.

9.2.2 PG&E shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

9.2.3 Seller shall furnish the required certificates and endorsements to PG&E prior to commencing operation.

 $[\]frac{2}{2}$ Governmental agencies which have an established record of self-insurance may provide the required coverage through self-insurance.

9.2.4 All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Pacific Gas and Electric CompanyAttention: Manager, Insurance Department77 Beale Street, Room E280San Francisco, CA 94105

10. TERM, DEFAULT, TERMINATON EVENT AND TERMINATION

10.1 <u>Term</u>. The term of this Agreement shall commence upon the later of: (i) execution by the duly authorized representatives of each of PG&E and Seller; or (ii) when PG&E notifies Seller that PG&E can accommodate Seller's Facility in PG&E's proportionate share of the statewide cumulative total of 250 MW as specified in PUC Section 399.20(e), and shall remain in effect until the conclusion of the Delivery Term or unless terminated sooner pursuant to Section 10.3 of this Agreement (the "Term"). All indemnity rights shall survive the termination of this Agreement for twelve (12) months.

10.2 <u>Termination Event</u>. Buyer shall be entitled to terminate the Agreement upon the occurrence of any of the following, each of which is a "Termination Event":

(a) The Facility has not achieved Commercial Operation within eighteen (18) months of the Execution Date of this Agreement;

(b) Seller has not sold or delivered the Product from the Facility to PG&E for a period of twelve (12) consecutive months;

(c) Seller breaches its covenant to maintain its status as an ERR as set forth in Section 4.3.2. of the Agreement.

10.3 <u>Termination</u>.

10.3.1 <u>Declaration of a Termination Event</u>. If a Termination Event has occurred and is continuing, Buyer shall have the right to: (a) send notice, designating a day, no earlier than five days after such notice is deemed to be received (as provided in Section 8) and no later than 20 days after such notice is deemed to be received (as provided in Section 8), as an early termination date of this Agreement ("Early Termination Date") unless Seller has timely communicated with Buyer and the Parties have agreed to resolve the circumstances giving rise to the termination Event; (b) accelerate all amounts owing between the Parties; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date. 10.3.2 <u>Release of Liability for Termination Event</u>. Upon termination of this Agreement pursuant to Section 10.3.1, neither Party shall be under any further obligation or subject to liability hereunder, except with respect to the indemnity provision in Section 6 hereof, which shall remain in effect for a period of 12 months following the Early Termination Date.

11. SCHEDULING

11.1 <u>Scheduling Obligations</u>. PG&E shall be Seller's designated Scheduling Coordinator (as defined by CAISO tariff). PG&E will schedule Seller' project using Prudent Utility Practices and Seller shall employ Prudent Utility Practices and exercise reasonable efforts to operate and maintain its project. All generation interconnection and scheduling services shall be performed in accordance with all applicable operating policies, criteria, guidelines and tariffs of the CAISO or its successor, and any other generally accepted operational requirements. Seller, at its own expense, shall be responsible for complying with all applicable contractual, metering and interconnection requirements. Seller shall promptly notify PG&E of significant (i.e., greater than 100 kW) changes to its energy schedules using PG&E's web site (see <u>Appendix D</u>). Seller will exercise reasonable efforts to comply with conditions that might arise if the CAISO modifies or amends its tariffs, standards, requirements, and/or protocols in the future.

11.2 CAISO Charges.

11.2.1 <u>CAISO</u> Charge Obligations. PG&E and Seller shall cooperate to minimize CAISO delivery imbalances and any resulting fees, liabilities, assessments or similar charges assessed by the CAISO ("CAISO Charges") to the extent possible, and shall each promptly notify the other as soon as possible of any material loss of system capability, deviation or imbalance that is occurring or has occurred. Seller shall reimburse PG&E for any CAISO Charges PG&E incurs as a result of Seller's loss of system capability, deviation or imbalance. Any such CAISO Charges reimbursable to PG&E shall be limited to the period until the commencement of the next settlement period following Seller's notification for which the delivery schedule can be adjusted. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its schedule on the actual date and time of delivery for any reason (other than an adjustment imposed by CAISO) which results in differences between the project's actual generation and the scheduled generation (whether in part or in whole), Seller shall use reasonable efforts to notify PG&E. PG&E will make commercially reasonable efforts to accommodate Seller's changes and mitigate any imbalance penalties or charges levied for such changes.

11.2.2 <u>CAISO Penalties</u>. Seller shall be responsible for any "non-Performance Penalties" assessed to PG&E by the CAISO ("CAISO Penalties"), under the CAISO Tariff Enforcement Protocol, and not due to any fault of PG&E, which shall include, without limitation, any deviation, imbalance or uninstructed energy charges or penalties payable to the CAISO that are due to the fault of Seller. To the extent that Seller materially deviates from its energy schedules (other than an adjustment imposed by the CAISO, a

deviation due to any fault of PG&E, or an excused Seller failure to deliver, whether for reasons of Force Majeure or otherwise), and such departure results in CAISO Penalties being assessed to PG&E, such CAISO Penalties shall be passed on to Seller. Any such CAISO Penalties passed on to Seller shall be limited to the period until the commencement of the next settlement period following Seller's notification (as described above) for which the delivery schedule can be adjusted.

12. CONFIDENTIALITY

Seller authorizes PG&E to release to the California Energy Commission ("CEC") and/or the CPUC information regarding the Facility, including the Seller's name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, the Initial Energy Delivery Date and the net power rating of the Facility, as requested from time to time pursuant to the CEC's or CPUC's rules and regulations.

13. ASSIGNMENT

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

14. GOVERNING LAW

This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

15. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by the CPUC or any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

16. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

17. GENERAL

The CPUC has reviewed and approved this Agreement. No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

PACIFIC GAS AND ELECTRIC COMPANY

By:	Date:
Name:	
Title:	
SELLER	
By:	Date: 11/15/2012
Name: Kevin Couch	
Title: General Manager, Alpa	augh Irrigation District
Manager, Sustainable	Central Valley Solar I, LLC

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16. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

17. GENERAL

The CPUC has reviewed and approved this Agreement. No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

PACIFIC GAS AND ELECTRIC COMPANY

By:	Date:
Name:	
Title:	
SELLER	
By: LIU	Date: 11/15/2012
Name: Kevin Couch	M.
Title: General Manager, Alpaugh Ir	rigation district
Manager, Sustainable Centra	I Valley Solar I, LLC

Appendix A DEFINITIONS

"Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday during the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party's principal place of business where the relevant Party in each instance shall be the Party from whom the notice, payment or delivery is being sent.

"CAISO" means the California Independent System Operator Corporation or any successor entity performing similar functions.

"CAISO Tariff" means the CAISO FERC Electric Tariff, Third Replacement Volume No. 1, as amended from time to time.

"California Renewables Portfolio Standard" means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

"CEC" means the California Energy Commission or its successor agency.

"Commercial Operation Date" means the date on which the Facility is operating and is in compliance with applicable interconnection and system protection requirements, and able to produce and deliver energy to PG&E pursuant to the terms of this Agreement.

"Contract Year" means a period of twelve (12) consecutive months with the first Contract Year commencing on the first day of the month immediately following the Initial Energy Delivery Date and each subsequent Contract Year commencing on the anniversary of the Initial Energy Delivery Date.

"CPUC" means the California Public Utilities Commission, or successor entity.

"Delivery Point" means the point of interconnection to the PG&E distribution or transmission system.

"Dispatch Down Period" means: (a) curtailments ordered by the CAISO or PG&E as a result of a System Emergency, as defined in the CAISO Tariff; or (b) scheduled or unscheduled maintenance on PG&E's transmission, distribution or interconnection facilities that prevents Buyer from receiving Delivered Energy at the Delivery Point. Notwithstanding the foregoing sentence, Buyer shall have the option in its sole discretion to curtail Seller's energy deliveries up to 50 (fifty) hours each calendar year.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in Public Utilities Code Sections 399.12 and California Public Resources Code Section 25741, as either code provision may be amended or supplemented from time to time.

"Execution Date" means the latest signature date found at the end of the Agreement.

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"Forced Outage" means any unplanned reduction or suspension of the electrical output from the Facility resulting in the unavailability of the Facility, in whole or in part, in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of the Facility for operation, in whole or in part, for maintenance or repair that is not a scheduled maintenance outage and not the result of Force Majeure.

"Force Majeure" means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby. Force Majeure shall not be based on: (i) PG&E's inability economically to use or resell the energy or capacity purchased hereunder; (ii) Seller's ability to sell the energy, capacity or other benefits produced by or associated with the Facility at a price greater than the price set forth in this Agreement, (iii) Seller's inability to obtain approvals of any type for the construction, operation, or maintenance of the Facility; (iv) Seller's inability to obtain sufficient fuel to operate the Facility, except if Seller's inability to obtain sufficient fuel is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (v) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (vi) a strike or labor dispute limited only to Seller, Seller's affiliates, the Engineering, Procurement, and Construction Contractor or subcontractors thereof; or (vii) any equipment failure not caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Maieure.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;³ (3) the reporting rights to these

³ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Law" means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing. "Market Price Referent" means the market price referent applicable to this Agreement, as determined by the CPUC in accordance with Public Utilities Code Section 399.15(c), as may be amended or modified from time to time.

"Nameplate" has the meaning set forth in Section 2.1.4.

"Product" means the Energy (net of Station Use), capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Facility, including, without limitation, renewable attributes, Renewable Energy Credits, Resource Adequacy Benefits and Green Attributes.

"Renewable Energy Credit" has the meaning set forth in Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"Resource Adequacy Benefits" means the rights and privileges attached to the Facility that satisfy any entity's resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Facility. "Resource Adequacy Rulings" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable governmental authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.

"Station Use" means energy consumed within the Facility's electric energy distribution system as losses, as well as energy used to operate the Facility's auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuel handling systems, control systems, and sump pumps.

"WREGIS" means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

"WREGIS Certificate Deficit" has the meaning set forth in Section 3.2.

Appendix B

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Section 399.20 Power Purchase Agreement dated ______("Agreement") by and between Pacific Gas and Electric Company ("PG&E") and _______("Seller"), this letter serves to document the parties further agreement that (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and PG&E has received the energy, as specified in the Agreement, as of this _____ day of _____. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By:	By: Pacific Gas and Electric Company
Signed:	Signed:
Name: Kevin Couch	Name:
General Manager, Alpaugh Irrigation district Title: Manager, Sustainable Central Valley Solar I, LLC	Title:
Date:11/15/2012	Date:

SB GT&S 0523613

Appendix B

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Section 399.20 Power Purchase Agreement dated _____("Agreement") by and between Pacific Gas and Electric Company ("PG&E") and _____("Seller"), this letter serves to document the parties further agreement that (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and PG&E has received the energy, as specified in the Agreement, as of this _____ day of _____, ____. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By:	By: Pacific Gas and Electric Company
Signed: UIU	Signed:
Name: Kevin Couch	Name:
General Manager, Alpaugh Irrigation District Title: Manager, Sustainable Central Valley Solar I, LLC	Title:
Date: 11/15/2012	Date:

	Α	ppendi	x C		
Time	of Delivery	(TOD)	Periods	& Factors	

Monthly Period	Super-Peak ¹	Shoulder ²	Night ³
Jun – Sep	2.38	1.12	0.59
Oct Dec., Jan. & Feb.	1.10	.94	0.66
Mar. – May	1.22	0.90	0.61

Definitions:

 * *Super-Peak (5x8) = HE (Hours Ending) 13 – 20 (Pacific Prevailing Time (PPT)), Monday - Friday (*except* NERC holidays) in the applicable Monthly Period.

- Shoulder = HE 7 12, 21 and 22 PPT, Monday Friday (*except* NERC holidays); and HE
 7 22 PPT Saturday, Sunday and *all* NERC holidays in the applicable Monthly Period.
- 3. Night (7x8) = HE 1 6, 23 and 24 PPT all days *(including NERC holidays)* in the applicable Monthly Period.
- "NERC Holidays" mean the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the 4th Thursday in November. New Year's Day, Independence Day, and Christmas Day, by definition, are predetermined dates each year. However, in the event they occur on a Sunday, the "NERC Holiday" is celebrated on the Monday immediately following that Sunday. However, if any of these days occur on a Saturday, the "NERC Holiday" remains on that Saturday.

Appendix D

COUNTERPARTY NOTIFICATION AND FORECASTING REQUIREMENTS

A. NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN

Prior to paralleling to or after disconnecting from the electric system, ALWAYS notify your designated Distribution Operator as follows:

- 1. Call your Distribution Operator for permission to parallel before any start-up.
- 2. Call your Distribution Operator again after start-up with parallel time.
- 3. Call your Distribution Operator after any separation and report separation time as well as date and time estimate for return to service.

B. FORECASTING REQUIREMENTS

1. Seller shall abide with all established requirements and procedures described below:

(a) Generating Facilities 1000 kW and greater must comply with the CAISO Tariff and Protocols while generating facilities under 1000 kW must comply with all applicable interconnection, communication and metering rules; and

(b) Generating Facilities 100 kW and greater must provide a weekly forecast of their expected generation output.

2. Weekly Energy Forecasting Procedures.

Seller must meet all of the following requirements specified below:

Beginning the Wednesday prior to the planned Initial Operation of the Generating Facility, Seller will electronically provide PG&E with an Energy Forecast for the next calendar week, by no later than 5 PM Wednesday of the week preceding the week covered by the Energy Forecast.

The Weekly Energy Forecast submitted to PG&E shall: a) Not include any anticipated or expected electric energy losses; b) Be submitted using PG&E's website at https://www.pge.com/qic, or as otherwise instructed by PG&E; c) Include Seller's contact information; d) Limit Day Ahead forecast changes to no less than 100 kW. 3. Outage and Scheduled Maintenance Reporting Procedures.

Submit outage information by posting on PG&E's website at https://www.pge.com/qic . If the website is unavailable, implement the procedures set forth below:

For project outages, complete the specifics below and submit by email to DAenergy@pge.com and Bilat Settlements@pge.com

Email subject Field: dd/mm/yyyy – dd/mm/yyyy XYZ Company Project #2 Outage Notification

Email body:

Type of Outage: Planned Outage, Forced Outage, Prolonged Outage Start Date and Start Time Estimated or Actual End Date and End Time Date and time when reported to PG&E and name(s) of PG&E representative(s)contacted.

C. CHANGES TO OPERATING PROCEEDURES.

Seller understands and acknowledges that the specified transmission and scheduling mechanisms, metering requirements, Forecasting, Outage and Scheduling Maintenance Reporting Procedures described therein are subject to change by Buyer from time to time and, upon receipt of Notice of any such changes, Seller agrees to work in good faith to implement any such changes as reasonably deemed necessary by Buyer; provided that such change does not result in an increase cost of performance to Seller hereunder other than de minimis amounts.

Appendix E

Attach a description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E's electric distribution or transmission system.

The Facility will utilize standard polysilicon photovoltaic modules from a top tier supplier, and inverters from a

top tier inverter company. The system will utilize single axis tracking and will be interconnected to the PG&E grid at the PG&E distribution line closest to the solar generating facility.





EXHIBIT C



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

30263-E 28026-E

		RIC SCHEDULE E-PWF CTION 399.20 PPA	Shee	et 1
APPLICABILITY:	Water Facility or Eligible Pub	customers who meet the definitio ic Wastewater Facility and own a in the Special Conditions section more than 1.5 megawatts.	an Eligible Řenewable	(D,T)
	new customers once the com	s on a first-come-first-served bas bined rated generating capacity E's service territory reaches 104 e July 26, 2007.	of Eligible Renewable	
	An electric generation facility 399.20(b) as follows:	must meet the criteria listed in P	ublic Utilities Code section	
	(1) Has an Effective Capacity owned or under the control of	of not more than 1.5 megawatts the customer.	and is located on property	(T)
	(2) Is interconnected and ope distribution grid.	rates in parallel with the electric	transmission and	
		d interconnected to the electric tr nizes the deliverability of electric		(N)
		Energy Resource as defined in S Code Section 25741 as either co om time to time.		(T,N) (N) (N)
TERRITORY:	The entire territory served.			
RATES:	The customer's otherwise ap	olicable tariff schedule (OAS) sh	all apply except as follows:	
	the price and pursuant to the Purchase Agreement at the a	put produced by an Eligible Rend terms set forth in Section 2.4 of pplicable Market-Price-Referent m the date the Eligible Renewak eration.	the Section 399.20 Power (MPR) in the table in	(T)
	has submitted to PG&E	tion 399.20 Power Purchase Ag and that both the customer and ng service under this Schedule.		
	customers taking service this Schedule and the S	&E Programs: As set forth in De e under this Schedule may not ol elf-Generation Incentive Progran Solar Initiative, or other similar p	btain benefits from both n, net energy metering	
			(Col	ntinued)
dvice Letter No: 3	830-E	Issued by	Date Filed At	oril 15, 20

Vice President

Regulation and Rates

Resolution No.



Pacific Gas and Electric Company San Francisco, California U 39

Cancelling

RevisedCal. P.U.C. Sheet No.30264-ERevisedCal. P.U.C. Sheet No.28027-E

		ELECTRIC SCHEDULE E-PWF SECTION 399.20 PPA	She	et 2
SPECIAL CONDITIONS: (cont'd)	3.	Definitions: The following definitions are applicable to service pro Schedule.	vided under this	
(cont u)		a. Eligible Public Wastewater Facility - Any facility owned by a s federal agency and used in the treatment or reclamation of s industrial wastes, and located on property owned or under th public water or wastewater agency.	ewage and	
		b. Eligible Public Water Facility – Any facility owned by a state, agency that develops, stores, distributes or supplies water an property owned or under the control of the public water or water	nd located on	
		c. Eligible Renewable Energy Resource – An electric generatin defined in Public Utilities Code Section 399.12 and California Resources Code Section 25741, as either code provision ma supplemented from time to time.	a Public	
		d. Effective Capacity –The Effective Capacity will be net of any the case of solar, it will be net of any inverter losses. The Ef will not exceed 1.5 megawatts. The term "Nameplate" define 2.1.4 of the Section 399.20 Power Purchase Agreement has meaning as the term "Effective Capacity" used in this Schedu	fective Capacity ed in Section the same	(D,N) (D,N)
		e. Station Use – Energy consumed within the Facility's electric distribution system as losses, as well as energy used to oper auxiliary equipment. The auxiliary equipment may include, b to, forced and induced draft fans, cooling towers, boiler feeds lubricating oil systems, plant lighting, fuel handling systems, and sump pumps.	rate the Facility's out is not limited s pumps,	(N) (N)
	4.	Electrical interconnection to support this Schedule shall be accom PG&E's Wholesale Distribution Tariff Attachment I for distribution interconnection and CAISO's Tariff Appendix Y (effective Decemb transmission voltage interconnections. As part of the electrical int process, the customer, PG&E, and the CAISO (if transmission) wi FERC- approved Small Generator Interconnection Agreement ("S under this Schedule is not available to customers interconnecting Secondary Network.	voltage per 19, 2010) for erconnection Il execute a GIA"). Service	(T) (D,N) I (D,N) (T) (N) (N)
	5.	Metering Requirements: The customer shall comply with all applic installing a meter appropriate for deliveries pursuant to the Full Bu Sale arrangement selected in Section 2.2 of the Section 399.20 P	iy/Sell or Excess ower Purchase	(T) (T)
		Agreement, which can be electronically read daily by: (a) a telepho (b) an analog or digital phone connection; or (c) an internet portal PG&E's Energy Data Services ("EDS"). The customer shall be re- procuring and maintaining the communication link to electronically metering data.	address for sponsible for	(T)
			(Co	ontinued)
dvice Letter No: ecision No.	3830-E	Issued by Date Fil Jane K. Yura Effective Vice President Resoluti Regulation and Rates	e Ju	pril 15, 20 ine 24, 20



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		ELECTRIC SCHEDULE E-PWF SECTION 399.20 PPA			Sheet 3	
SPECIAL CONDTIONS: (cont'd)	6. The Market Price Referent (MPR) is stated in the table below, which the Commission approved in Resolution E-4442 effective December 6, 2011.				(T)	
	Adopte	ed 2011 Market Pri			(N)	
	Resource Type	(Nominal - dollars/ 10-Year	15-Year	20-Year		
	2012 Baseload MPR	0.07688	0.08352	0.08956		
	2013 Baseload MPR	0.08103	0.08775	0.09375		
	2014 Baseload MPR	0.08454	0.09151	0.09756		
	2015 Baseload MPR	0.08804	0.09520	0.10132		
	2016 Baseload MPR	0.09156	0.09883	0.10509		
	2017 Baseload MPR	0.09488	0.10223	0.10859		
	2018 Baseload MPR	0.09831	0.10570	0.11218		
	2019 Baseload MPR	0.10186	0.10928	0.11587		
	2020 Baseload MPR	0.10550	0.11296	0.11965		
	2021 Baseload MPR	0.10916	0.11675	0.12354		
	2022 Baseload MPR	0.11299	0.12067	0.12752	(N)	
	2023 Baseload MPR	0.11691	0.12469	0.13160	(13)	

Advice Letter No: 3965-E-A Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations Date Filed Effective Resolution No. February 10, 2012 January 3, 2012 E-4442

EXHIBIT D



Steve Martin, President * Kenneth Gibbs, Vice President * Virgil Cotter, Director * Douglas Jackson, Director * Ranveig Magden, Director

January 21, 2013

Ms. Lindsay Saxby Pacific Gas and Electric Company 245 Market Street, Mail Code N12E San Francisco, CA 94177-0001

Dear Ms. Saxby:

Alpaugh Irrigation District has formed a limited liability company named Sustainable Central Valley Solar I, LLC ("Project Company"), for the sole purpose of constructing, owning, and operating a solar power electric generation facility ("Facility"), and selling the electricity generated to PG&E utilizing the electric schedule E-PWF ("E-PWF Tariff").

I, Kevin Couch, General Manager of Alpaugh Irrigation District, do hereby attest to the following:

- Alpaugh Irrigation District has a 50% ownership of the proposed Facility for the E-PWF Tariff via its 50% ownership in the Project Company, and intends to maintain 50% ownership throughout the PPA's Delivery Term. Ecoplexus and/or its investors, our partner in Sustainable Central Valley Solar I, LLC, owns the remaining 50%;
- 2. The facility is on property 100% owned by Alpaugh Irrigation District; and
- 3. The Facility is 50% owned by a state, local, or federal agency that develops, stores, distributes or supplies water as required under Section 4.3.1(a) of the E-PWF PPA and in conformance with the E-PWF Tariff's Special Conditions, Section 3(b) that requires the facility be an Eligible Public Water Facility.

Please feel free to contact me at kcouch@alpaughid.com or (559) 949-8323 if you have any questions.

Sincerely.

Kevin Couch

cc: Erik Stuebe, Ecoplexus, President

5458 ROAD 38 • P.O. BOX 129 • ALPAUGH, CA 93201 Phone: (559) 949-8323 • Fax: (559) 949-8001