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Commission Staff Report

Date: October 26, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement for Northern California Power Agency Green Hydrogen Electrolyzer Feasibility Study-Supporting Clean Energy; Applicable to the following project: Northern California Power Agency (NCPA) Lodi Energy Center (LEC).

AGENDA CATEGORY: Discussion/Action

FROM:	Joel Ledesma <i>JL</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members	<input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>
		City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>
		City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input checked="" type="checkbox"/>	City of Palo Alto <input type="checkbox"/>
		Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>
		Port of Oakland <input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville <input type="checkbox"/>
		Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>
		Other <input checked="" type="checkbox"/>
	<i>If other, please specify</i>	Azusa, CDWR,
		Modesto, PWRPA

RECOMMENDATION:

Approve Resolution 20-79 authorizing the General Manager or his designee to enter into a Demonstration of Energy & Efficiency Development (DEED) Grant Agreement for NCPA Green Hydrogen Electrolyzer Feasibility Study Supporting Clean Energy Investment, with the American Public Power Association (APPA), conditioned on the approval of the LEC Project Participants Committee (PPC), with any non-substantial changes recommended and approved by the NCPA General Counsel, to accept the grant of \$48,450, to be used towards completing a Green Hydrogen Electrolyzer Feasibility Study. And, to grant APPA a non-exclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, market and support, in all mediums including APPA's website, all information, materials and work product, including reports, abstracts, videos, guidebooks, software programs, documentation, and other deliverables, created pursuant to this Grant.

BACKGROUND:

In early 2020, NCPA updated the LEC natural gas generating facility, installing a state-of-the-art gas turbine capable of operating with a natural gas blend of up to 45% hydrogen. This investment, the first of its kind to incorporate such a design, provides NCPA with an innovative step to significantly reduce the plant's greenhouse gas (GHG) emissions, and keep the project environmentally viable as state and federal policymakers look towards decarbonizing the economy. To take full advantage of this blending capability and maximize the investment, NCPA has an interest in the feasibility of a renewable hydrogen production facility at a site near the LEC plant. Given the location of LEC, such a facility could offer the dual benefit of providing hydrogen supply for the transportation sector as well. Black & Veatch is preparing the Feasibility Study and it is scheduled for completion by December 31, 2020.

NCPA submitted a proposal on August 13, 2020, to the APPA's DEED program demonstrating that its Green Hydrogen Electrolyzer Feasibility Study Project meets the requirements dedicated to improving the operations and services of public power utilities.

If approved, the DEED Grant Agreement commences on the date of agreement execution. NCPA is required to complete the project by December 31, 2020, or by a date approved by APPA. This agreement, "grants APPA a nonexclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, market and support, in all mediums including APPA's website, all information, materials and work product, including reports, abstracts, videos, guidebooks, software programs, documentation, and other deliverables, create pursuant to this Grant (collectively, the "Work")".

FISCAL IMPACT:

NCPA has been awarded \$48,450 for this project. This funding award will pay for approximately 50% of the feasibility study being performed by Black and Veatch. The remaining funding will come from LEC's FY2021 approved Operations and Maintenance Budget (553-009-000-610-044-025 – Overall Facility Expense).

SELECTION PROCESS:

Not Applicable.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

Due to NCPA’s notification on October 12, 2020, of the award of funding, this item will be reviewed by the LEC PPC at its next meeting on November 9, 2020. The requested Commission approval is conditioned on LEC PPC approval.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Randy S. Howard".

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement Northern California Power Agency Green Hydrogen Electrolyzer Feasibility Study – Supporting Clean Energy Investment

RESOLUTION 20-79

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A DEMONSTRATION OF ENERGY & EFFICIENCY DEVELOPMENTS (DEED) GRANT
AGREEMENT

(reference Staff Report #216:20)

WHEREAS, the Northern California Power Agency (NCPA) operates the Lodi Energy Center (LEC) on behalf of project participants; and

WHEREAS, NCPA has interest in the feasibility of a renewable hydrogen production facility at a site near the LEC plant; and

WHEREAS, NCPA has hired Black & Veatch to prepare a feasibility study to explore hydrogen energy technology, which is scheduled to be completed by December 31, 2020; and

WHEREAS, on August 13, 2020, NCPA submitted a proposal to the American Public Power Association (APPA) for a Demonstration of Energy & Efficiency (DEED) Grant for funds to complete a Green Hydrogen Electrolyzer Feasibility Study Supporting Clean Energy Investment; and

WHEREAS, the APPA has approved NCPA's grant request and has awarded NCPA \$48,450 to complete this feasibility study; and

WHEREAS, funds provided from the APPA DEED Grant will pay for approximately 50% of the feasibility study, with the remaining funding to come from LEC's FY2021 approved Operations and Maintenance Budget (553-009-000-610-044-025 - Overall Facility Expense); and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Demonstration of Energy & Efficiency Development (DEED) Grant Agreement for NCPA Green Hydrogen Electrolyzer Feasibility Study Supporting Clean Energy Investment, with the American Public Power Association (APPA), conditioned on the approval of the LEC Project Participants Committee (PPC), with any non-substantial changes recommended and approved by the NCPA General Counsel, to accept the grant of \$48,450, to be used towards completing a Green Hydrogen Electrolyzer Feasibility Study. And, to grant APPA a non-exclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, market and support, in all mediums including APPA's website, all information, materials and work product, including reports, abstracts, videos, guidebooks, software programs, documentation, and other deliverables, created pursuant to this Grant.

PASSED, ADOPTED and APPROVED this ___ day of _____, 2020 by the following vote on roll call:

Table with 4 columns: Name, Vote, Abstained, Absent. Rows include Alameda, San Francisco BART, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Port of Oakland, Redding, Roseville, Santa Clara, Shasta Lake, Truckee Donner, Ukiah, Plumas-Sierra.

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

This Grant Agreement (“Agreement”) is made and entered into by and between the American Public Power Association (“APPA”) and **Northern California Power Agency** (“Grantee” and, collectively with APPA, the “Parties”).

WHEREAS, the Board of Directors of the APPA has established the Demonstration of Energy & Efficiency Developments (“DEED”) program which is dedicated to improving the operations and services of public power utilities by supporting and demonstrating its members’ innovative activities through research, funding and education;

WHEREAS, Grantee has submitted a proposed demonstration project, in a DEED proposal submitted on **08/13/2020**, which is incorporated herein by reference, with data including a project description, the rationale, schedule, and estimated cost of the project, together with a statement of why the project is widely applicable to members of APPA, and supporting technical material;

WHEREAS, the DEED Board of Directors has found the proposed project to be meritorious and worthy of a DEED Grant;

NOW, THEREFORE, the Parties agree as follows:

1. **Funding.** APPA will supply a DEED Grant in the amount of **\$48,450.00** to Grantee. Payment shall be made within 30 days of receipt of invoice at APPA, as further described in Sections 9 and 10.

2. **Project and Project Personnel.** The project to be undertaken by Grantee is as follows: **In early 2020, NCPA undertook an effort to equip its existing Lodi Energy Center (LEC) natural gas generating facility, installing a state-of-the-art gas turbine capable of operating with a natural gas blend of up to 45% hydrogen. This investment, the first of its kind to incorporate such a design, provides NCPA with an innovative step to significantly reduce the plant's greenhouse gas (GHG) emissions, and keep the project environmentally**

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

viaable as state and federal policymakers look towards decarbonizing the economy. To take full advantage of this blending capability and maximize the investment, NCPA has an interest in the construction of a renewable hydrogen production facility at a site near the LEC plant. Given the location of LEC, such a facility could offer the dual benefit of providing hydrogen supply for the transportation sector as well. NCPA's proposed feasibility study explores this opportunity, which includes three tasks:

TASK 1: DATA GATHERING

Black & Veatch will gather data related to the site to best understand site-specific and application-specific considerations, including information provided by NCPA, along with data gathered from publicly-available resources. In order to perform this task, Black & Veatch proposes to do the following:

- **Assess site development considerations**
- **Assess compatibility with surrounding existing land use, zoning designations, and environmental conditions**
- **Develop a permitting matrix to identify the various local, state, and federal permits that may be required to authorize construction and operation of the facility. The permit matrix will identify the jurisdictional permitting agency and estimated timeline associated with securing each permit as well as a brief description of any notable considerations**
- **Undertake a high-level assessment of neighboring communities to identify potential public concerns arising from the proposed development. This will include a high level assessment of potential noise**
- **Determine application-specific technical, market, and environmental considerations for the planned operation**
 - **Local water availability, sourcing, and associated costs in dollars per gallon**

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

- **Utility interconnections/costs**
- **Environmental attributes/benefits including reduction in GHG emissions associated with various levels of hydrogen blending and related GHG offset credits**
- **Ability to store excess hydrogen in the PG&E system and/or underground gas storage assets, including quantities/times of day**
- **Availability of grants/subsidies for developing the Project**

Black & Veatch will conduct abbreviated literature reviews, conduct outreach to appropriate data resources such as the California Energy Commission, the California Air Resources Board, and California Independent System Operator to gather the most up-to-date information. The data analysis and market model forecasts will incorporate major regional trends and resource mix drivers of market price levels and ranges.

TASK 2: FEASIBILITY ANALYSIS

Black & Veatch will establish a design basis that will guide the feasibility analysis. The design basis will include the following:

- **Hydrogen production capacity and end use types.**
- **On-site hydrogen storage capacity to accommodate end uses.**
- **A single hydrogen consumption and demand profile (based on percent rated capacity) will be established.**
- **A single on-site water electrolysis hydrogen production system capacity will be established.**
- **Infrastructure requirements, including range of utility costs and impacts on operational profile.**
- **Range of environmental attributes and associated pricing and transaction rights**
- **Applicable grants/subsidies for project development/construction.**

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

Economic Modeling

A two-stage pro forma economic model will be developed where the model output will provide both the estimated levelized cost of hydrogen, in \$/MMBtu of hydrogen output in the first stage and round-trip cost of electricity in dollars per kWh. A reasonable set of Owner's costs (e.g. land acquisition, development costs) will be developed to supplement the aforementioned capital and O&M cost estimates. Financial parameters to be used in the model will include:

- Debt percentage/rate/term
- Target economic life
- Depreciation assumptions (type/basis)
- Escalation/inflation rates
- Composite tax rate
- After tax cost of equity/internal rate of return
- Discount rate/weighted-average cost of capital assumptions
- Property tax rate
- Property tax basis
- Any incentive/benefit assumptions (e.g. tax credits, sustainability credits)

A set of up to 10 sensitivities will also be developed to explore a variety of assumptions, which could include:

- Capital costs $\pm 50\%$
- O&M costs $\pm 50\%$
- Hydrogen blending with natural gas at a level less than 45%
- Water prices $\pm 50\%$

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

- Escalation/inflation $\pm 100\%$

TASK 3: REPORTING

Black & Veatch will prepare a final Feasibility Report to document findings, conclusions, and recommendations., as more fully described in the Grantee's proposal *Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy Investment (NCPA)*. The proposal, as well as the document [DEED Grant Requirements](#) containing instructions related to preparing and submitting Quarterly Reports, Final Reports, and Summary Abstracts, are incorporated herein by reference and made a part of this Agreement. It is understood that the key personnel of this project are:

Scott Tomashefsky, Regulatory Affairs Manager, Northern California Power Agency.

3. **Term.** The DEED Grant shall commence on the date of Agreement execution. The Grantee is required to complete the project as approved by the DEED Board of Directors by **12/31/2020** as noted in the proposal. Any changes to the completion date must be addressed as further described in Section 6.

4. **Subcontractors.** If Grantee proposes to hire a subcontractor to work on the project and such subcontractor is not identified in Grantee's original project proposal, Grantee shall request APPA's written permission to do so. In addition, Grantee shall ensure that APPA's rights under this Agreement are not diminished by the use of a subcontractor. Any agreement between Grantee and a subcontractor shall incorporate the terms and conditions of this Agreement, as necessary. At a minimum, any such agreement between Grantee and a subcontractor shall require a subcontractor:

- (a) to maintain books, records, and other documents and appropriate accounting procedures and practices sufficient to reflect receipt and disposition of project funds and total costs (direct and indirect) of the project, to retain such books, records and other

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

documents until the expiration of three years from the date of final payment or completion of the project, and permit inspection and audit of such books, records or other documents by APPA or its contractors;

(b) not to delegate or transfer to another party the responsibility for carrying out the project or the use of project funds unless approved in writing by APPA and Grantee;

(c) to notify the Grantee and APPA of all proposed major project changes (such as those identified in Section 6 of this Agreement) in a manner consistent with the provisions of that Section, and to provide an opportunity for APPA and Grantee to disapprove any such changes in a manner consistent with the provisions of Section 6 of this Agreement;

(d) not to terminate the project except for good cause, and if APPA or Grantee finds that the subcontractor has terminated the project work without good cause, all funds paid by Grantee to the subcontractor shall be returned, at the discretion of APPA, to Grantee or to APPA;

(e) to return unexpended funds to Grantee or APPA, as determined by APPA, in the event that the work is terminated for good cause or the work is completed prior to expenditure of all funds; and

(f) to expressly agree that APPA owns a nonexclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, market and support, in all mediums including APPA's website, all information, materials and work product created by subcontractor pursuant to this Agreement.

(g) No project shall be commenced without an agreement in the form of Attachment A signed by the subcontractor. Grantee shall provide APPA with a copy of the agreement between Grantee and the subcontractor (including Attachment A) before any payment of the DEED Grant award will be made.

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

5. Accounting and Records. Accounting for project funds (including receipts, Grantee or other contributions, and expenditures) will be in accordance with generally accepted accounting principles and practices, consistently applied, regardless of the source of funds.

Grantee shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly (a) the amount, receipt, and disposition by Grantee of all assistance received for the project and (b) the total cost of the project, including all direct and indirect costs of whatever nature incurred for the performance of the project.

Grantee's facilities or such facilities as may be engaged in the performance of the project for which the DEED Grant has been awarded, and records shall be subject at all reasonable times to inspection and audit by APPA.

Grantee shall preserve and make its records available to APPA until the expiration of three years from the date of final payment or completion of the project under this DEED Grant, whichever is later.

All APPA assistance received by Grantee pursuant to this Agreement shall be expended by Grantee solely for carrying out the approved project. Grantee may not delegate or transfer responsibility for the use of such funds. Grantee shall comply with all terms and conditions of the DEED Grant, to use grant funds efficiently and effectively within the approved budget, and to supervise completion of the project in a diligent and professional manner. This responsibility may be neither delegated nor transferred without written permission by APPA.

6. Project Changes. Grantee shall promptly notify APPA in writing by e-mail to DEED@PublicPower.org or by certified mail (return receipt requested) of all proposed major project changes, including, but not limited to:

- (a) major changes in the technical plans or specifications for the project;
- (b) acceleration or deceleration in the time of performance of the project, or any major phase thereof;

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

- (c) major changes that may increase or decrease the total cost of a project;
- (d) major changes that may affect the approved scope of a project; and
- (e) major changed site conditions affecting the project.

APPA may disapprove project changes in writing not later than three weeks after receipt of notice. Failure of Grantee to give notice, or disapproval by APPA of the proposed change, shall result in disallowance of costs incurred that are attributable to the change.

Approved project changes that do not substantially alter the objective or scope of a project may give rise to grant amendments to increase or decrease the dollar amount, the term, or other provisions of the DEED Grant. A DEED Grant amendment shall be affected only by a written amendment to this Agreement signed by both Parties. Requests for modifications from this Agreement shall be submitted as far in advance as the exigencies of the situation will permit. Each request for a modification shall contain at a minimum:

- (a) A full description of the modification and the circumstances in which it will be used;
- (b) A description of the intended effect of the modification; and
- (c) Detailed reasons supporting the request, including any pertinent background information that will contribute to a better understanding of the modification sought.

7. Termination. If, without written notification to APPA, the project has not been initiated within six months of the effective date of this Agreement, the project will be subject to termination by the DEED Board of Directors. Grantee shall not terminate the project except for good cause. If APPA finds Grantee has terminated the project work without good cause, then it shall terminate the DEED Grant award, and all APPA grant funds previously paid to Grantee shall be returned as final settlement. In the event the project is terminated for good cause or completed prior to expenditure of all funds provided by APPA, the proportionate share of APPA's DEED Grant shall be refunded. Notwithstanding anything to the contrary in this Agreement, APPA may terminate this Agreement at its option with or without cause by providing written

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

notice to Grantee. Unless otherwise stated in the termination notice, termination shall be effective upon receipt of the notice. After the effective date of termination, neither Party shall have any further obligation to the other under this Agreement except for Grantee's obligations under the provisions where a continuing obligation is implied, and APPA's obligation to pay Grantee a portion of the Agreement's fixed price equal to the percentage of work required by the Agreement that is actually completed.

Grantee shall deliver to APPA or its designee(s) upon request all information and work in tangible form created or compiled by Grantee or its subcontractor(s) in performing services under this Agreement.

8. Press Release. Press releases and other public dissemination of information by the Grantee shall acknowledge APPA support of the project through a DEED Grant.

9. Report & Other Deliverables. Grantee shall prepare and submit to APPA quarterly project reports according to directions in the document [DEED Grant Requirements](#). These reports will be posted to the DEED project database, located on APPA's website for viewing by DEED members. Capturing the project in photos is encouraged. Electronic copies of project photos taken during the course of the project term may be uploaded by Grantee using APPA's grant management system along with project reporting or to DEED@PublicPower.org. By submitting project photos to APPA, Grantee grants to APPA a non-exclusive limited worldwide license to use the project photos online and offline for promotional purposes. According to instructions in the document [DEED Grant Requirements](#), Grantee also shall submit to APPA/DEED: (1) an acceptable, detailed final report relating to the conduct and results of the approved project, describing activities, lessons learned, project costs, bibliography, achievements, problems, results, and recommendations, to be submitted within six (6) months of project completion; and (2) a completed "DEED Project Summary Abstract;" and (3) any other deliverable as described in Grantee's original proposal or grant approval letter.

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

APPA will withhold 25 percent of the DEED Grant award pending satisfactory completion of said report and abstract. In the event the final report and abstract are not provided by the Grantee by the due date, APPA may complete the final report and/or abstract itself or hire a third party to do so. APPA may utilize up to the 25 percent withheld to pay for the costs of production and reduce the amount otherwise available to Grantee in the same amount.

10. Payment. The standard method of project payment shall be based on invoices for work completed to date.

(a) No more than 25 percent of the total DEED Grant award may be provided to Grantee at the inception of the project except in rare instances when the DEED program administrator may increase this amount up to a total of 50 percent due to special circumstances.

(b) No more than 10 percent of a DEED grant may be spent on indirect costs (F&A/overhead).

11. License Agreement. Grantee hereby grants APPA a nonexclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, market and support, in all mediums including APPA's website, all information, materials and work product, including reports, abstracts, videos, guidebooks, software programs, documentation, and other deliverables, create pursuant to this Grant (collectively, the "Work"). Any software programs especially developed by Grantee or its Subcontractors during the course of the project, or substantially modified for use in the project, shall be supplied to APPA in a form that may be used by others independently of Grantee's proprietary programs or computer configurations. The Grantee shall incorporate a Section setting forth the substance of this Section 11 in its agreement with the Subcontractor. Contracts between Grantee and its Subcontractor participating in the project shall contain similar provisions.

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

12. Representations and Warranties. Grantee represents and warrants for itself and any subcontractors that:

(a) The Work and Subcontractor Work Product are original and do not infringe on the intellectual property rights of any third party, or constitute defamation, invasion of privacy, or the violation of any right of publicity or any other right of any party; (b) Grantee and subcontractor has obtained all necessary licenses and/or permissions to use third party content that may appear in the Work and/or Subcontractor Work Product; (c) Grantee and any subcontractors shall maintain in strict confidence any confidential or proprietary information shared by APPA during the course of this Agreement, and such information shall not be disclosed to any third party, either directly or indirectly; and (d) Grantee has the unencumbered right to enter into this Agreement. Grantee agrees to defend, indemnify, and hold harmless APPA, its officers, directors, members, and employees for any losses, costs, damages, liabilities and expenses (including attorneys' fees and court costs) arising out of any breach of the warranties set forth in this Section 12.

13. Fees. Grantee also warrants that no person or agency has been employed or retained to solicit or secure this grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by Grantee for the purpose of securing grants or business. For breach or violation of this warranty, APPA shall have the right to terminate this DEED Grant Agreement without liability or in its discretion to deduct from the grant award, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

14. Indemnifications. It is understood that this DEED Grant Agreement is not a joint venture and that Grantee is not an agent of APPA. APPA assumes no liability with respect to accidents, bodily injury, illness, breach of contract, or any other damages or loss, or with respect to any claims arising out of any activities undertaken with the financial support of the APPA DEED Grant, whether with respect to persons or property of Grantee or third parties. Grantee

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

shall indemnify (including court costs and attorneys' fees) APPA if APPA is made a party to any litigation, arbitration, mediation or negotiations for activities connected with this DEED Grant Agreement, unless APPA, its employees or agents are found to be grossly negligent or otherwise directly at fault.

15. **Taxes.** Except with respect to taxes which may be due as a result of income to APPA, Grantee and any subcontractor shall be responsible for payment of all taxes for which Grantee, subcontractor or APPA may be liable in connection with this Agreement, including any sales, use, or other tax owed for work products delivered or services performed by Grantee or a subcontractor in connection with this Agreement. Except as required by law, APPA shall not withhold federal, state or local income tax, or any other tax, from any payment to Grantee pursuant to this Agreement.

The Parties hereto have executed this Agreement, effective as of the _____ day of _____, 20__.

American Public Power Association.

Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)

DEED Program

Name: _____

Signature: _____

Title: _____

Date: _____

Northern California Power Agency

Name: _____

Signature: _____

Title: _____

Date: _____

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

ATTACHMENT A

Limited License Agreement:

Agreement made by and between _____ 1) [a United States Citizen residing at _____ and born in 19____] or _____ 2) [a corporation located and doing business at _____] (hereinafter referred to as the “Subcontractor”) and, American Public Power Association, a corporation of the Virginia located and doing business at 2451 Crystal Drive, suite 1000, Arlington, Virginia, 22202 (hereinafter referred to as “Commissioning Party”).

WHEREAS, the Subcontractor is not an employee of the Commissioning Party; and

WHEREAS, the Subcontractor was commissioned by the Commissioning Party to create (project name) _____ (hereinafter the “Subcontractor Work Product”) at the request of and for the benefit of the Commissioning Party.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. Subcontractor grants APPA a nonexclusive, royalty-free, perpetual, worldwide, irrevocable license to use, copy, publish, create derivative works, distribute, and market in all mediums including APPA’s website, the Subcontractor Work Product.
2. Subcontractor represents and warrants to the Commissioning Party the following:
 - a) that the Subcontractor Work Product is original and does not infringe the intellectual property rights of any third party, or constitute defamation, invasion of privacy, or the violation of any right of publicity or any other right of any party;
 - b) Subcontractor has obtained all necessary licenses and/or permissions to use third party content that may appear in the Subcontractor Work Product;

**Demonstration of Energy & Efficiency Developments (DEED) Grant Agreement
Northern California Power Agency
Green Hydrogen Electrolyzer Feasibility Study - Supporting Clean Energy
Investment (NCPA)**

c) Subcontractor shall maintain in strict confidence a confidential or proprietary information shared by the Commissioning Party during the course of this Agreement, and such information shall not be disclosed to any third party, either directly or indirectly; and

d) Subcontractor has the unencumbered right to enter into this Agreement.

3. Subcontractor shall indemnify and hold the Commissioning Party, its officers, directors, members and employees harmless for any costs, including, but not limited to, attorneys fees, which arise out of any breach of the warranties set forth in Section 2.

4. Subcontractor hereby acknowledges that [it or he/she] is an independent contractor for purposes of this Agreement.

5. This Agreement may not be modified or amended unless it is in writing and signed by both parties.

The parties hereto have executed this Agreement as of the date indicated below.

Subcontractor: _____

Name: _____

Signature: _____

Title: _____

Commissioning Party: American Public Power Association

Name: _____

Signature: _____

Title: _____

On this _____ day of _____ 20__.