

Status Report: Work Activities Under 2nd Phase Agreement for Renewable Energy Power Purchase Agreement

**NCPA Facilities Committee
October 5, 2015**

Purpose

- This is a status report to the Facilities Committee regarding work efforts under the 2nd Phase Agreement for a Renewable Energy Power Purchase Agreement.

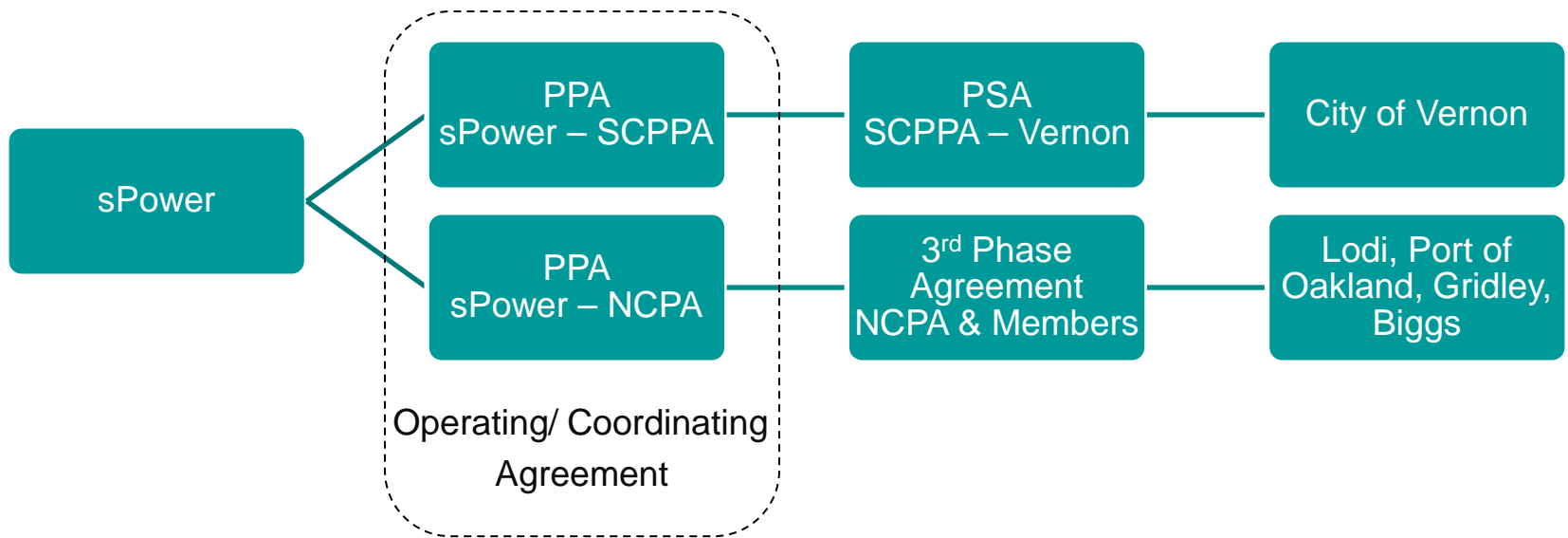
Contents

- General update on negotiation processes
- Anticipated timing of contract review and approval
- Overview of contract structure

Status on negotiation and expected approval timing

- Basic terms of the PPA are nearly complete
 - Expected completion in 1-2 more sessions
- Recent decision to create two separate PPAs, detailed below
 - Current draft contemplates a single PPA design (i.e. SCPPA and Seller, only)
 - Decision creates need to adjust language specific to NCPA
- Expect PPA, Third Phase, and other necessary contracts for November Commission meeting

Contract Structure



Buyers & Seller

- Buyers
 - SCPPA (Southern California Public Power Authority)
 - City of Vernon (20 MW share)
 - NCPA (Northern California Power Agency)
 - City of Lodi (10 MW share)
 - City of Oakland, Acting By and Through its Board of Port Commissioners (4 MW share)
 - City of Gridley (0.75 MW share)
 - City of Biggs (0.25 MW share)
- Seller
 - Antelope Expansion 1, LLC, an affiliate of sPower

Introduction – Contract Structure

- PPA (Power Purchase Agreement)
 - Facilitates transaction between Seller and Buyer.
 - SCPPA and NCPA will have separate PPAs with sPower
 - Increases NCPA's standing in contract matters
- Operating/ Coordinating Agreement
 - Addresses issues between buyers related to shared decision points, market bidding strategies, and cost sharing
 - To be drafted as SCPPA/NCPA agreement

Introduction – Contract Structure (Cont)

- PSA (Power Sale Agreement)
 - SCPPA contract that facilitates sale to its Member
- 3rd Phase Agreement
 - Facilitates transfer from NCPA to its participating Members
 - Establishes the transaction as a NCPA Project
 - Obligates participants to pay for all “project costs” as defined in the Facilities Agreement
 - Biggs, Gridley, Port of Oakland, and Lodi
 - All direct and indirect costs
 - Protects non-participants from cross-member risks