

<i>For Seller's Use Only</i>	
Trade Date	
Seller's ID	

**CONFIRMATION**

Reference:

Master Power Purchase and Sale Agreement  
 Between <Company Legal Name> ("Seller")  
 And Marin Energy Authority ("Buyer")  
 As of <Month, Day, Year> (the "Effective Date")  
 Transaction Date: <Month, Day, Year>

**RECITALS:**

**WHEREAS**, pursuant to California Public Utilities Code Sections 366.1, et. seq., Buyer has been registered as a Community Choice Aggregator (the "CCA");

**WHEREAS**, Buyer is an independent public agency formed in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) and established by that certain Joint Powers Agreement, effective as of December 19, 2008 ("Joint Powers Agreement") to protect the environment by furthering the environmental goals of AB 32, the Global Warming Solutions Act of 2006 (the "GWSA"), and reducing greenhouse gas emissions by studying, promoting, developing, conducting, operating and managing energy and energy-related climate change programs, including but not limited to the CCA program;

**WHEREAS**, pursuant to California Public Utilities Code Section 366.2, the Buyer submitted Buyer's CCA Implementation Plan ("Implementation Plan") and Statement of Intent to the CPUC;

**WHEREAS**, pursuant to the GWSA, the State of California has established a timetable to implement measures reduce greenhouse gas emissions;

**WHEREAS**, pursuant to its regulatory authority and the purposes of the Joint Powers Agreement, Buyer required as part of its Request for Proposals that at least 25% of the Full Requirements Product Supply include Eligible Renewable Energy;

**WHEREAS**, Buyer, pursuant to this Confirmation, will be taking a regulatory action that will purchase Renewable Energy to promote the regulatory goals established in the GWSA and thereby qualify for Class 8 categorical exemption under Section 15308 of Title 14 of the California Code of Regulations;

**WHEREAS**, Buyer issued a Request for Proposals for Full Requirements Product Supply for Buyer serving as the CCA;

**WHEREAS**, Buyer selected Seller to supply the Full Requirements Product for Buyer serving as the CCA;

**WHEREAS**, Buyer will in turn supply the Full Requirements Product for use by the Members; and

**WHEREAS**, Seller and Buyer desire to set forth the terms and conditions pursuant to which Seller shall supply the Full Requirements Product to Buyer, and Buyer shall take and pay for such supply of Full Requirement Product, including, subject to satisfaction of the conditions herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. **DEFINITIONS.** Defined terms shall have the meanings set forth in this Confirmation or as set forth below:

"Ancillary Services" means those ancillary services, including but not limited to those described in FERC Order No. 888, that may from time to time be required by FERC to be supplied by CAISO.

"Applicable 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; or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time.

"CAISO" means the California Independent System Operator Corporation or the successor organization to the functions thereof.

"CAISO Charges" mean those amounts [(other than for imbalance Energy)] billed by CAISO and associated with the procurement and delivery at the Delivery Point of any full requirements product through the CAISO market to CCA Customers as such charges may be adjusted from time to time pursuant to the Tariff.

"Capacity" means the net generating capability of a generating resource or generating resources. Capacity is expressed in MW.

"Capacity Requirement" means Capacity as required for Buyer to meet its RAR.

"Commercially Reasonable Efforts" for the purposes of this Confirmation, "commercially reasonable efforts" or acting in a "commercially reasonable manner" shall not require a Party to undertake extraordinary or unreasonable measures.

"Customers" means any account designated, from time to time, by Buyer as being served by Buyer, and identified to Seller pursuant to this Confirmation.

"Energy" means real (not reactive) electric energy in the form of three-phase alternating current having a nominal frequency of approximately 60 cycles per second, a harmonic content consistent with the requirements of the Institute of Electrical and Electronic Engineers Standard No. 519, and a voltage content consistent with the guidelines applied by the Control Area in which the applicable generating resource resides. Energy is measured in MWh.

"Eligible Renewable Energy Source" means any renewable energy source that qualifies for the RPS.

"Environmental Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to any Renewable Energy Source or Renewable Energy. Environmental 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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), 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) the reporting rights to these 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 Environmental Attributes associated with one (1) MWh of energy. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from a Renewable Energy Source, (ii) production tax credits associated with the construction or operation of a Renewable Energy Source 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 a 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 a Renewable Energy Source for compliance with local, state, or federal operating and/or air quality permits. If the Renewable Energy Source is a biomass or biogas facility and Seller receives any tradable Environmental Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Environmental Attributes to ensure that there are zero net emissions associated with the production of electricity from such Renewable Energy Source.

"Governmental Authority" means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

"Imbalance Charge" means any scheduling penalties, imbalance penalties, overpull or unauthorized overrun penalties, operational flow order penalties, cash out charges, banking charges or similar penalties, fees or charges, assessed by, or oversupply credits or payments due with respect to a failure to comply with balance and/or scheduling requirements of any applicable entity, specifically excluding any distribution charges imposed by PG&E on the delivery of the Energy hereunder.

"Other Renewable Energy Source" means any renewable energy source that is not an Eligible Renewable Energy Source, including wind, hydro-electric, geothermal, biogas including landfill gas, digester gases and gas conversion or gasification technologies, direct combustion biomass, biodiesel power producing facilities, photovoltaic, solar thermal, fuel cells using eligible renewable fuels, qualifying municipal solid waste conversion, tidal current, ocean wave, and ocean thermal technology; provided, however, that in no event shall coal or nuclear resources be deemed to be "Other Renewable Energy Source".

"Product" means any products provided by Seller to Buyer under this Confirmation.

"Renewable Energy Certificates" or "RECs" means a certificate of proof representing renewable and/or environmental attributes associated with energy production, issued through the accounting system established by the California Energy Commission under Public Utilities Code Section 399.13, that one unit of electricity was generated and delivered by an Eligible Renewable Energy Resource and such REC satisfies the requirements of RPS.

"Renewable Energy" means electricity generated from Renewable Energy Sources.

"Renewable Energy Source" means any Eligible Renewable Energy Source or Other Renewable Energy Source.

"Renewables Portfolio Standard" or "RPS" means that quantity of renewable energy resources that Buyer is required to procure pursuant to Applicable Law.

"Resource Adequacy Requirement" or "RAR" means those resource adequacy requirements that Buyer is required to comply with pursuant to Applicable Law.

"SC Agreement" means the Scheduling Coordinator Agreement by which Buyer appoints Seller as its scheduling coordinator with the CAISO.

“System Power” refers to the Energy resource mix for electricity in the State of California net of electricity sold to consumers as specific purchases.

“Tariff” shall mean the electric tariff filed by CAISO with the Federal Energy Regulatory Commission, as such document is amended and replaced by CAISO from time to time.

“Weighted Average Price” shall mean a price determined on a monthly basis as a function of Buyer's actual energy consumption and the corresponding CAISO Real-Time PG&E LAP Price. [The Parties to agree to the specific formula for calculating the actual weighted average price].

**2. PRODUCT.**

2.1 Seller Supply Obligation. Throughout the Delivery Period, Seller shall sell and deliver or make available, or cause to be sold and delivered or made available to Buyer, the “Full Requirements Product,” which is comprised of:

- (a) a quantity of electrical Energy determined in accordance with this Confirmation;
- (b) a quantity of Renewable Energy as set forth in Section 2.2;
- (c) a quantity of Capacity equal to the Capacity Requirement;
- (d) Ancillary Services required to supply the foregoing electrical Energy identified in this Section 2.1 (the “Full Requirements Energy”) to the Delivery Point;
- (e) distribution losses incurred in supplying Full Requirements Energy at the Delivery Point; and
- (f) CAISO scheduling coordination services as set forth in the SC Agreement.

2.2 Renewable Energy. During the Delivery Period, Seller shall provide to Buyer Renewable Energy in amounts sufficient to ensure that (i) Customers participating in Buyer's (a) “Light Green” service receive at least 25% (and 26.5% during the Delivery Period in 2015) of their Energy from Eligible Renewable Energy Sources, and (b) “Deep Green” service receive 25% (and 26.5% during the Delivery Period in 2015) of their Energy from Eligible Renewable Energy Sources and 100% of their Energy from Renewable Energy Sources and (ii) Buyer meets any RPS obligations. The Renewable Energy sold by Seller to Buyer shall also include any and all Environmental Attributes associated with such Renewable Energy. If due to any action by the CPUC or any state, federal or local governmental authority or agency, or any change in Applicable Law which occur after the execution date hereof (a “Change in Law”), the Parties shall work in good faith to try and revise this Confirmation so that the Parties can perform their obligations regarding the purchase and sale of Renewable Energy on economic terms equal to those in force on the execution date hereof. In the event the Parties cannot reach agreement on any amendments to this Confirmation within 60 days following the Change in Law, Seller shall perform its obligations hereunder with regard to Renewable Energy in accordance with the Applicable Law immediately prior to the Change in Law.

2.3 No New Construction. Seller covenants and agrees, during the Delivery Period, that (a) no new facilities are required to be constructed in order for Seller to meet its supply obligation, and (b) it shall not construct any new facilities to meet its supply obligation hereunder unless such new facility has satisfied all Applicable Law, including CEQA and any other applicable California environmental statutes relating to the construction and operation of such facility.

2.4 Non-Renewable Energy. The Energy provided under this Confirmation may be procured from unit-specific sources, provided such resources are not coal or nuclear, under terms and conditions to be agreed between the Parties. To the extent unit-specific resources have not been agreed to by the Parties, Seller will use System Power to provide the required Energy.

3. DELIVERY PERIOD. This Confirmation shall be in full force and effect as of the Transaction Date. The terms set forth herein shall apply from the Start Date through the End Date:

<b>Start Date:</b>	<b>End Date:</b>
June 1, 2010	May 31, 2015

**4. LOCATION AND DELIVERY POINT.**

<b>Market Area</b>	<b>Supply Point</b>	<b>Delivery Point</b>	<b>Buyer's Local Utility</b>
CAISO	NP15 EZ Gen Hub	PG&E LAP	PG&E

**5. PRICING.**

5.1. **Contract Price (Electricity):** Buyer shall pay the following Contract Price for Energy, including related Ancillary Services (on a pass-through basis), and CAISO scheduling services (expressed in USD per MWh) for all monthly Electricity usage that is within the Balanced Monthly Usage as set forth in the tables, below.

Year	Contract Price (in US\$/MWh)
2010	\$ _____
2011	\$ _____
2012	\$ _____
2013	\$ _____
2014	\$ _____
2015	\$ _____

5.2. **Contract Price (Renewable Energy):** Buyer shall pay the following Premium (Renewable Energy) (expressed in USD per MWh) for all monthly Renewable Energy which is in addition to the Contract Price (Electricity), including related Ancillary Services (on a pass-through basis), and CAISO scheduling services (expressed in USD per MWh) for all monthly Electricity usage as set forth in the tables, below

Year	Eligible Renewable Energy Premium (in US\$/MWh)	Other Renewable Energy Premium (in US\$/MWh)
2010	\$ _____	\$ _____
2011	\$ _____	\$ _____
2012	\$ _____	\$ _____
2013	\$ _____	\$ _____
2014	\$ _____	\$ _____
2015	\$ _____	\$ _____

5.3. **Contract Price (Resource Adequacy Capacity):** Buyer shall pay the following Contract Price (Resource Adequacy Capacity) (expressed in USD per kilowatt) on a monthly basis for Capacity as set forth in the tables below:

Year	System Resource Adequacy Capacity (in US\$/kW/month)	Bay Area Resource Adequacy Capacity (in US\$/kW/month)	Other PG&E Resource Adequacy Capacity (in US\$/kW/month)
2010		\$ _____	\$ _____
2011		\$ _____	\$ _____
2012		\$ _____	\$ _____
2013		\$ _____	\$ _____
2014		\$ _____	\$ _____
2015		\$ _____	\$ _____

5.4. **Balanced Monthly Usage:** The term “Balanced Monthly Usage” shall mean the volume of Energy that is between the “Lower Limit” and the “Upper Limit” as defined and set forth below: [add exhibit with the Baseline hourly volumes]

Balanced Monthly Usage Limits	
Lower Limit (the “Lower Limit”) (Percent below Buyer’s Baseline Monthly Usage)	Upper Limit (the “Upper Limit”) (Percent above Buyer’s Baseline Monthly Usage)
«TableStart:TotalContractedQuantity» «lower_limit»%	«upper_limit» «TableEnd:TotalContractedQuantity»%

5.5. **Pass-Through Charges:** Seller shall be responsible for bidding and scheduling the loads of all Customers in accordance with Applicable Law, including the Tariff. Seller shall pass through to Buyer all CAISO Charges for providing Energy at the Delivery Point. Buyer’s Customers will remain responsible for payment of delivery charges for transmission, distribution, public goods and other non-bypassable surcharges charged directly to Customers by PG&E. Buyer may request a review of the relevant records of Seller to confirm the accuracy of any costs passed-through to Buyer hereunder. Seller shall provide such records for Buyer’s review during normal business hours and copies of such records at Buyer’s cost and subject to any applicable confidentiality restrictions.

- 5.6. **Distribution Losses:** Buyer shall be responsible for the costs of additional Energy, Renewable Energy and Capacity provided by Seller necessary to cover Distribution Losses, which shall be determined as follows: for energy by using the distribution loss factors required for settlements with the CAISO during the billing period; for Renewable Energy by using the distribution loss factors required by the California Public Utilities Commission for Renewable Portfolio Standards compliance for the compliance year; and for capacity by using the distribution loss factors required by the California Energy Commission for Resource Adequacy compliance for the compliance year.
6. **CONTRACT QUANTITY.** Seller shall service 100% of Buyer's Energy requirements. Energy prices pursuant to this Confirmation will relate to the quantities set forth in the table below (the "Contract Quantities"):

The Contract Price relates to the Contract Quantities at (choose one)				
<input checked="" type="checkbox"/> the Supply Point <input type="checkbox"/> the Delivery Point <input type="checkbox"/> Buyer's Meter				
Commodity				
Month	Energy Baseline Monthly Usage (MWh)	Renewable Energy Baseline Annual Usage (MWh)		Resource Adequacy Obligation (in kW/month)
«ContractedQuantity» «date»	«monthly_usage»	«annual_usage»		«Calc_Demand_RA»«TableEnd: ContractedQuantity»

Buyer shall be liable for all costs associated with delivering Energy from the Supply Point to the Delivery Point and Seller shall assist Buyer (at Buyer's cost) with obtaining all Congestion Revenue Rights ("CRRs") required relating to the congestion from the Supply Point to the Delivery Point. [For unit-specific Energy delivered hereunder pursuant to Section 2.4, Buyer shall be liable for all costs associated with delivering Energy from the generation point (the load aggregation point) to the Delivery Point and Seller shall assist Buyer (at Buyer's cost) with obtaining all Congestion Revenue Rights ("CRRs") required relating to the congestion from such generation point to the Delivery Point.]

7. **MONTHLY BILLING SETTLEMENT.** For monthly volumes within the Balanced Monthly Usage, Seller shall invoice Buyer at the Contract Price for the actual monthly usage.
- 7.1. **Usage Above Upper Limit:** During any month of delivery, if Buyer's metered usage for Energy (expressed in MWh) exceeds the Upper Limit ("Excess Quantity"), Seller shall invoice Buyer an amount equal to the Upper Limit multiplied by the Contract Price (Electricity). For the Excess Quantity, Buyer shall reimburse Seller at the monthly Weighted Average Price plus all related CAISO Charges at the Delivery Point.
- 7.2. **Usage Below Lower Limit:** During any month of delivery, if Buyer's metered usage for Energy (expressed in MWh) is less than the Lower Limit ("Underused Quantity"), Seller shall invoice Buyer for an amount equal to the Lower Limit multiplied by the Contract Price (Electricity) and shall credit Buyer's account by an amount equal to the Underused Quantity multiplied by the monthly Weighted Average Price.
- 7.3. **Resource Adequacy Capacity Usage Above Limit.** During any month of delivery, if Buyer's received Capacity with respect to its Resource Adequacy Requirement exceeds the Upper Limit ("Excess Resource Adequacy Capacity Quantity"), Seller shall invoice Buyer an amount equal to the Upper Limit multiplied by the Contract Price (Resource Adequacy Capacity). For the Excess Resource Adequacy Capacity Quantity, Buyer shall reimburse Seller for its actual cost of buying the Excess Resource Adequacy Capacity Quantity. Seller shall make commercially reasonable efforts to minimize the cost of Excess Resource Adequacy Capacity Quantity purchased on behalf of Buyer provided that Seller shall not enter into any such transactions for such purchases without Buyer's consent and acceptance of such transactions.
- 7.4. **Resource Adequacy Capacity Usage Below Limit.** During any month of delivery, if Buyer's received Capacity with respect to its Resource Adequacy Requirement is less than the Lower Limit ("Underused Resource Adequacy Capacity Quantity"), Seller shall invoice Buyer for an amount equal to the Lower Limit multiplied by the Contract Price (Resource Adequacy Capacity) and shall credit Buyer's account for the revenues obtained by Seller from remarketing the Underused Resource Adequacy Capacity Quantity. Seller shall make commercially reasonable efforts to maximize the value of Underused Resource Adequacy Capacity Quantity remarketed on behalf of Buyer provided that Seller shall not enter into any such transactions for remarketing without Buyer's consent and acceptance of such transactions.
8. **SEMI-ANNUAL RENEWABLE ENERGY RECONCILIATION.** No later than [January 1<sup>st</sup> and June 1<sup>st</sup>] of each calendar year during the term of this Confirmation, Buyer shall provide Seller with notice stating Buyer's then-current estimate of Buyer's compliance with the Renewable Portfolio Standards for such calendar year together with documentation setting forth amounts of Renewable Energy which were required to be delivered for the preceding six-month period pursuant to Section 2.2. Following delivery of this notice, the Parties shall work together promptly to determine whether they anticipate Seller to be compliant or not with the requirements set forth in Section 2.2 for such calendar year and the Parties shall work together in good faith to determine appropriate actions to ensure that Seller will deliver sufficient amounts of Renewable Energy to be compliant with the requirements set forth in Section 2.2.

8.1 **Excess Renewable Energy.** In the event the Parties anticipate that Buyer will purchase more Renewable Energy than required by Section 2.2 for such calendar year, Buyer may, in its sole discretion, to the extent permitted under Applicable Law, bank and carryover such excess Renewable Energy for use in the succeeding calendar year. In the event banking is not permitted by Applicable Law, then Seller shall remarket such excess Renewable Energy for Buyer and shall credit Buyer's account by an amount equal to the amount received by Seller for such sales efforts. Seller shall make commercially reasonable efforts to maximize the value of such excess Renewable Energy remarketed on behalf of Buyer provided that Seller shall not enter into any such transactions for remarketing without Buyer's consent and acceptance of such transactions.

8.2 **Deficient Renewable Energy.** In the event the Parties anticipate that Buyer will purchase less Renewable Energy than required by Section 2.2 for such calendar year, Seller shall seek to procure such additional quantities of Renewable Energy required by Buyer in such calendar year. Seller shall make commercially reasonable efforts to minimize the cost of the purchases of additional Renewable Energy purchased on behalf of Buyer provided that Seller shall not enter into any such transactions for procuring additional Renewable Energy without Buyer's consent and acceptance of such transactions. Seller shall use commercially reasonable efforts to secure such Energy at a price no greater than the Contract Price (Renewable Energy); provided, however that Buyer shall pay Seller the actual costs of such additional Renewable Energy (whether such costs exceed the Contract Price or not).

9. **CAPACITY REDUCTION.** Buyer shall notify Seller as soon as possible if there is to be a permanent decrease in the Capacity Requirement ("Capacity Reduction"). In addition, Buyer shall be deemed to have a Capacity Reduction if reduced capacity is shown on the most recent long-term forecast. Any Capacity associated with a Capacity Reduction shall be remarketed by Seller using its commercially reasonable efforts to maximize such value and no such transactions shall be executed without consultation with, and approval by, Buyer. Buyer shall pay Seller all costs Seller incurs in effectuating the Capacity Reduction, including any costs associated with hedging and other fees, costs, expenses and losses relating to selling or otherwise disposing of the Capacity, reduced by any revenues or gains realized thereby (in the aggregate, the "Resale Costs"), and Seller shall credit Buyer with an amount equal to the actual sales price for such capacity less the Resale Costs). The Parties will cooperate to use commercially reasonable efforts to reduce the cost to Buyer of a Capacity Reduction.

10. **LOAD SERVED.** The services and the Product described under this Confirmation shall be provided to the Customer accounts specified by Buyer. During the initial commencement of this Confirmation, the Customers will be switched to CCA service over an approximately 30-day period in accordance with the applicable meter read cycle for such Customer. At the end of each month, Buyer shall provide to Seller updated account information for Customers to be served during the upcoming month. Buyer shall also provide to Seller a daily report of Customer sales based on the meter data reported by the utility distribution company. Buyer shall prepare invoices to the Seller based on such daily reports. Buyer shall also deliver notice of any Customers which are no longer part of the Buyer's Marin Clean Energy program.

11. **RESOURCE SUBSTITUTION.** Buyer may independently gain control or enter into contractual obligations with respect to specific electric supply or demand-side resources procured from other third parties or independently developed by Buyer (Buyer Facilities). The Parties agree that incorporation of the Energy, Capacity, and Renewable Energy from such Buyer Facilities into this Agreement shall be in the sole discretion of Buyer, subject solely to adjustment of the price for Energy, Capacity, and Renewable Energy set forth in this Agreement hereto payable by Buyer to Seller to reflect all reasonable and actual documented costs Seller incurs in connection therewith, including, reimbursement from Buyer for any costs associated with hedging and other fees, costs, and losses directly incurred by Seller in reducing the Energy, Capacity, and Renewable Energy otherwise provided to Buyer pursuant to this Agreement, such costs to be offset by any revenues or gains of Seller realized thereby. Seller agrees to use commercially reasonable efforts to minimize such costs to Buyer.

The Buyer may pursue the development of Buyer Facilities during the term of this Agreement. Buyer shall have the right, on and after December 31, 2010, to provide Seller not less than one hundred and eighty (180) days written notice that Energy, Capacity, or Renewable Energy will be available to be incorporated into this Agreement. Unless otherwise agreed between the Parties, within ten (10) Business Days of receipt of such notice, the Seller shall notify the Buyer in writing of the costs to Seller determined in accordance with this Section 11 to be incurred in connection with incorporating such Energy, Capacity, or Renewable Energy into this Agreement. Immediately upon receipt of such written cost determination, the Buyer shall have the right (but not the obligation) to direct the Seller in writing to incorporate such Energy, Capacity, or Renewable Energy into this Agreement at the agreed upon price. In the event that Buyer Facilities are expected to become operational or effective during the term of this Confirmation, the Parties shall work in good faith to amend the underlying credit agreements in place between Seller and Buyer and its lenders so that amounts paid by Buyer's customers to PG&E and then into the lockbox arrangement discussed in Schedule M of the Master Agreement shall be apportioned as security between the Parties and/or Buyer's lenders based on the quantity of energy delivered by Buyer to its customers from the Buyer Facilities as compared with the energy delivered pursuant to this Confirmation.

As supplemented by this Confirmation including its Appendices, if any, all other Terms and Conditions contained in the Agreement remain in full force and effect.

**This Confirmation is subject to the Schedule(s) identified below and that are attached hereto:**

**Appendix I - Schedule of Operational Services**

**SELLER**

**Sign:** \_\_\_\_\_

**Print:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**MARIN ENERGY AUTHORITY**

**Sign:** \_\_\_\_\_

**Print:** \_\_\_\_\_

**Title:** \_\_\_\_\_

<i>For Seller's Use Only</i>	
Trade Date	
Seller's ID	

**Appendix I**  
**Schedule of Operational Services**

Reference:  
Master Power Purchase and Sale Agreement  
Between <Company Legal Name> ("Seller")  
And Marin Energy Authority ("Buyer")  
As of <Month, Day, Year> (the "Effective Date")  
Transaction Date: <Month, Day, Year>

1. Description of Operational Services ("Services"). In conjunction with the attached Confirmation, Seller shall provide the Services listed below:
  - (a) Forecasting: Seller shall be responsible for preparing and submitting short-term load forecasts of Energy and Capacity for less than one year as Buyer's "Scheduling Coordinator" (as such term is defined by CAISO) necessary to meet its energy supply obligations to Buyer. The Parties shall mutually agree from time to time on the assumptions and models to be included in the short-term and long-term forecasts prepared hereunder. Buyer shall provide settlement quality meter data, resource data and load data as reasonably requested by Seller necessary for the preparation of the forecasts. Seller shall not be liable for any costs or losses incurred by or charged to Buyer as a result of Seller's forecasting obligations so long as Seller has performed its obligations in accordance with prudent industry practices. In the event an administrative agency requests clarification of forecasts provided by Seller hereunder or otherwise requires Buyer to substantiate such forecasts, Seller shall in good faith assist Buyer in responding to the administrative agency's request and assist Buyer in defending the reasonableness of such forecasts (such assistance shall exclude payment of any costs or expenses incurred by Buyer in responding to such inquiries).
  - (b) Scheduling Services: Seller shall be responsible for submitting schedules and bidding Product in accordance with the obligations of a Scheduling Coordinator as defined by the CAISO, including the scheduling and bidding for loads of all Customers served by Buyer. Seller shall perform the scheduling and bidding scheduling and bidding services in accordance with the Tariff, protocols and business practices. Seller shall establish a separate "Scheduling Coordinator" identification to isolate CAISO charges related to providing energy supply services to Buyer. Seller shall adjust schedules as necessary to assist in coordinating the transition of Resource Adequacy obligations between PG&E and Buyer. Seller shall provide the services required pursuant to this sub-paragraph in accordance with the terms of a Schedule Coordinator Services Agreement to be executed between the Parties.
  - (c) Load Balancing Services: Seller shall be responsible for and shall pay, and shall reimburse or credit Buyer if Buyer pays, all Imbalance Charges resulting from the supply of Product between the Energy Minimum and Energy Maximum, except to the extent such Imbalance Charges are a result of Buyer's failure to perform hereunder, including but not limited to the failure to receive Energy, or under the SC Agreement, or are a result of an event of Force Majeure.
  - (d) Filing: Seller shall file with CAISO all schedules and meter data reports required to be filed by the scheduling coordinator for Buyer.
  - (e) Regulatory Reporting. Seller will provide information to Buyer necessary for Buyer to timely comply with monthly, annual and periodic regulatory reporting requirements for RPS and Resource Adequacy requirements and as otherwise required by Applicable Law with respect to any Product.
2. Buyer's Obligation.
  - (a) Forecasting: Buyer shall prepare appropriate long-term load forecasts for Energy and Capacity greater than one year and Seller will assist and coordinate with Buyer in its preparation of such long-term load forecasts and Buyer shall submit such long-term load forecasts as required by the CPUC, CEC the CAISO or any other applicable regulatory body, including those required of a CCA (including all updates and revisions, the "Long-Term Forecast") and promptly provide Seller with a copy thereof, provided that every ninety (90) days Buyer shall provide Seller with either a new Long-Term Forecast or a statement that no changes to the most recent Long-Term Forecast have occurred. Seller shall have the right to request clarification regarding any change made to the Long-Term Forecast.
  - (b) Information: Buyer shall timely provide any information as reasonably required by Seller to perform the Services.



**SELLER**

**MARIN ENERGY AUTHORITY**

**Sign:** \_\_\_\_\_

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