

ENERGY SERVICES AGREEMENT – SOLAR

Police Department

This Energy Services Agreement (“Agreement”) is made and entered into as of this ____ day of _____, 2023 (or, if later, the latest date of a Party’s execution and delivery to the other Party of this Agreement, the “Effective Date”), between FFP BTM SOLAR, LLC, a Delaware limited liability company (“Provider”), and *City of Santa Maria* (“Purchaser”; and, together with Provider, each, a “Party” and together, the “Parties”).

RECITALS

- A. Purchaser desires that Provider install and operate a solar photovoltaic system at the Premises (as hereafter defined) for the purpose of providing Energy Services (as hereafter defined), and Provider is willing to have the Installation Work performed by using one or more qualified contractors holding the appropriate licenses required in the jurisdiction where the System will be installed;
- B. Provider is in the business of designing, constructing, owning, financing, and operating solar photovoltaic systems for the purpose of selling power generated by the systems to its purchasers;
- C. California Government Code sections 4217.10 et seq. authorizes a public entity to enter into energy service contracts, facility financing contracts, and related agreements to implement the State’s conservation and alternative energy supply source policy;
- D. Purchaser’s governing body has made those findings required by Government Code section 4217.12 that the anticipated cost to the Purchaser for Energy Services provided by the System under this Agreement is expected to be less than the anticipated marginal cost to the Purchaser of electrical energy that would have been consumed by Purchaser in the absence of its purchase of the Energy Services;
- E. Provider and Purchaser acknowledged those certain General Terms and Conditions of Energy Services Agreement between FFP BTM Solar, LLC and Purchaser dated as of _____, 2023 (“General Terms and Conditions”), which are incorporated by reference as set forth herein; and
- F. The terms and conditions of this Energy Services Agreement, excluding the General Terms and Conditions incorporated herein, constitute the “Special Conditions” referred to in the General Terms and Conditions.

In consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

- 1. Incorporation of General Terms and Conditions. The General Terms and Conditions are incorporated herein as if set forth in their entirety.
- 2. Initial Term. The initial term of this Agreement shall commence on the Effective Date and shall continue for Twenty (20) years from the Commercial Operation Date (as defined in the General Terms and Conditions), unless and until extended or terminated earlier pursuant to the provisions of this Agreement (the “Initial Term”). After the Initial Term, this Agreement may be renewed for an additional five (5) year term (a “Renewal Term”). At least one hundred and eighty (180) days, but no more than three hundred and sixty-five (365) days, prior to the expiration of the Initial Term, Provider shall give written notice to Purchaser of the availability of the Renewal Term. Purchaser shall have sixty (60) days to agree to continuation of this Agreement for the Renewal Term. Absent agreement to the Renewal Term this Agreement shall expire on the Expiration Date. The Initial Term and the subsequent Renewal Term, if any, are referred to collectively as the “Term”.
- 3. Schedules. The following Schedules hereto are hereby incorporated into this Agreement:

Schedule 1	Description of the Premises, System and Subsidy
Schedule 2	Energy Services Payment
Schedule 3	Early Termination Fee
Schedule 4	Estimated Annual Production
Schedule 5	Notice Information
Schedule 6	Reserved
Schedule 7	Specific Items for Scope of Work
Schedule 8	Site Diagram
Schedule 9	Acknowledgment of Upgrades, Schedule or Scope Change

4. Privacy. Purchaser acknowledges that the System may collect certain information about Purchaser’s electricity usage and the System performance. Such information may be stored and processed in the United States or any other country in which Provider or its third-party service providers, or its or their respective affiliates, subsidiaries, or service providers, maintain facilities. Purchaser consents to any such transfer of information outside of Purchaser’s country.

5. Milestone Dates.

5.1 The Guaranteed Construction Start Date is 730 days from Effective Date provided that the Local Electric Utility is prepared to begin its construction on any required utility, (distribution or transmission), upgrades, if any, and the City has completed construction within the area of solar development (as indicted in Schedule 9). In the event that the Local Electric Utility is not prepared to commence construction on required upgrades, if any are required, or the City has not completed construction within the area of solar development, Provider will be allowed a day for day extension to the Guaranteed Construction Start Date, as defined in the General Terms and Conditions between the Parties.

5.2 The Guaranteed Commercial Operation Date is: (i) 60 days from the date on which the Local Electric Utility authorizes Provider to schedule an inspection to energize the System after confirming completion of installation, and testing, or (ii) April 14, 2026, whichever occurs later.

6. Purchase Requirement: Energy Services Payment. “Energy Services” means the supply of electrical energy output from the System and any associated reductions in Purchaser’s peak demand from its Local Electric Utility. Purchaser agrees to purchase one hundred percent (100%) of the Energy Services generated by the System and made available by Provider to Purchaser during each relevant month of the Term, up to a maximum of one hundred and ten percent (110%) of Estimated Annual Production, as defined in Schedule 4. While the Energy Services are calculated and billed on a per kWh basis as set forth in Schedule 2 of these Special Conditions, they represent a package of services and benefits.

7. Net Energy Metering.

7.1 The Parties acknowledge that the pricing assumes Net Energy Metering (NEM) 2.0 for the Initial Term. If (i) Provider fails to submit interconnection applications by 4/14/2023, or (ii) prior to the Commercial Operation Date, (A) Provider fails to keep such interconnection applications in good standing such that the System would not be eligible for NEM 2.0, or (B) the CPUC issues a decision such that the System would not be eligible for NEM 2.0 grandfathering for at least twenty (20) years, Purchaser may terminate this Agreement with no liability whatsoever, including, but not limited to the Early Termination Fee. The foregoing shall not apply to the extent Provider’s failure is caused by an act or omission by Purchaser in connection with Provider’s submittal of interconnection applications.

Provided, however, that in the event of a change in Applicable Law that occurs after the Commercial Operation Date and results in a loss of NEM 2.0 grandfathering, Purchaser shall have no such termination right. Provided further that Purchaser shall ensure any correspondence with the Local Electric Utility regarding the tariff and changes to the interconnection agreement are promptly shared with Provider.

8. Estimated Annual Production. The annual estimate of electricity generated by the system for each year of the initial term is set as forth in Schedule 4 of the Special Conditions (“Estimated Annual Production”). Within sixty (60) days of each annual anniversary of the Commercial Operation Date, Provider will provide a statement to Purchaser that shows the actual annual kWh production from the System for the Term Year, the Estimated Annual Production, and the Minimum Guaranteed Output (defined below).

9. Minimum Guaranteed Output. If the System fails to generate at least ninety-five percent (95%) of the Estimated Annual Production for a full Term Year (such amount, the “Minimum Guaranteed Output”), other than as a result of the acts or omissions of Purchaser or the Local Electric Utility (including a Disruption Period), or an Event of Force Majeure, Provider shall credit Purchaser an amount equal to Purchaser’s Lost Savings on the next invoice or invoices during the following Term Year. The formula for calculating Lost Savings for the applicable Term Year is as follows:

$$\text{Lost Savings} = (\text{MGO} * \text{WPR} - \text{AE}) \times \text{RV}$$

MGO = Minimum Guaranteed Output, as measured in total kWh, for the System for the applicable Term Year.

WPR = Weather Performance Ratio, measured as the ratio of the actual insolation over typical (pro-forma) insolation. Such Weather Performance Ratio shall only apply if the ratio is less than 1.00.

AE = Actual Electricity, as measured in total kWh, delivered by the System for the Term Year plus the estimated lost energy production during a Disruption Period.

$$\text{RV} = (\text{ATP} - \text{kWh Rate})$$

ATP = Average tariff price, measured in \$/kWh, for the Term Year paid by Purchaser with respect to the Premises. This price is determined by dividing the total cost for delivered electricity, including all charges associated with such electricity howsoever named, including, without limitation, charges for distribution, transmission, demand, and systems benefits, paid to the Local Electric Utility during the applicable Term Year by the total amount of delivered electricity by the electric utility during such Term Year.

kWh Rate = the kWh Rate in effect for the applicable Term Year(s), measured in \$/kWh.

If the RV is zero or less, then no Lost Savings payment is due to Purchaser. Any Lost Savings payment shall occur no later than sixty (60) days after the end of the Term Year during which such Lost Savings occurred.

10. Allowed Disruption Time. Notwithstanding the provisions in Section 4.3 of the General Terms and Conditions to the contrary, during years 4 through 20 (but not years 1 through 3) of the Term, Purchaser shall be afforded a one-time allocation of fifteen (15) days which may be used consecutively or in separate periods of at least twenty-four (24) hours each (“Allowed Disruption Time”) during which the System shall be rendered non-operational. Purchaser shall not be obligated to make payments to Provider for electricity not received during the Allowed Disruption Time, nor shall Purchaser be required to reimburse Provider for any other lost revenue during the Allowed Disruption Time, including any lost revenue associated with any reduced sales of Environmental Attributes, and Provider shall be credited for the estimated lost production the System would have produced during such Allowed Disruption Time toward satisfaction of its Minimum Guaranteed Output, as set forth in Section 8 of the Special Conditions, such estimated lost production to be calculated in the same manner as set forth in Section 4.3 of the General Conditions.

11. Distribution Upgrades, Scope and Schedule Changes.

11.1 For any distribution upgrades required or changes to the scope of Installation Work made pursuant to Schedule 2 of the Special Conditions, the Parties may execute an acknowledgment in the form attached hereto as Schedule 9 detailing (i) the description of the distribution upgrades or change in

scope of the Installation Work (ii) the amount of the adjustment in the kWh Rate and Early Termination Fee that corresponds to such costs, if any (iii) changes to the Estimated Annual Production in Schedule IV, if any, and (iv) any change to the Guaranteed Construction Start Date and Guaranteed Commercial Operation Date resulting from such upgrades or scope changes;

- 11.2 For any day for day extensions made pursuant to Section 2.2(b) of the General Conditions, the Parties may execute an acknowledgment in the form attached hereto as Schedule 9 detailing (i) the circumstances that warrant such day for day extension and (ii) the updated Guaranteed Construction Start Date and/or Guaranteed Commercial Operation Date;
- 11.3 For any extensions that are not made pursuant to Section 2.2(b) of the General Conditions, Provider may request extensions to the Guaranteed Construction Start Date and/or Guaranteed Commercial Operation Date to the extent that Provider can demonstrate to Purchaser that Provider is seeking such extension for good cause. Purchaser in its sole discretion may approve such extension(s) by executing an acknowledgment in the form attached hereto as Schedule 9 on which Provider details (i) the circumstances for which Provider deems good cause for such extension(s), (ii) the actions that Provider is taking to complete the System on a schedule agreeable to the Purchaser and (iii) the updated Guaranteed Construction Start Date and/or Guaranteed Commercial Operation Date.

For the avoidance of doubt, Purchaser designates [Insert Post(s) of person(s) authorized to Execute] as authorized to execute the acknowledgment form attached hereto as Schedule 9 provided the terms of such acknowledgment comply with this Section 11.

- 12. Sunlight Access. Purchaser will take all reasonable actions as necessary to prevent other buildings, structures or flora from overshadowing or otherwise blocking access of sunlight to the System.
- 13. Use of System. Purchaser will not use electrical energy generated by the System for the purposes of heating a swimming pool within the meaning of Section 48 of the Internal Revenue Code.

IN WITNESS WHEREOF and in confirmation of their consent to the terms and conditions contained in this Agreement and intending to be legally bound hereby, Provider and Purchaser have executed this Agreement as of the Effective Date.

PROVIDER:
FFP BTM SOLAR, LLC

PURCHASER:
CITY OF YORBA LINDA

By: _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

SCHEDULES

I. Schedule 1 – Description of the Premises, System and Subsidy

<u>A. Premises</u>	1111 Betteravia Rd, Santa Maria, CA 93458
Site diagram attached:	X Yes <input type="checkbox"/> No
<u>B. Description of Solar System</u>	Behind the meter, grid interconnected, canopy mounted solar.
Solar System Size:	540.54 kW (DC) (this is an estimate (and not a guarantee) of the System size; Provider may update the System Size prior to the Commercial Operation Date.)
<u>C. Anticipated Subsidy or Rebate</u>	\$0

II. Schedule 2 – Energy Services Payment

Purchaser shall pay to Provider a monthly payment (the “Energy Services Payment”) for the Energy Services provided by the System during each calendar month of the Term equal to the product of (x) Actual Monthly Production for the System for the relevant month multiplied by (y) the kWh Rate.

The “Actual Monthly Production” means the amount of energy recorded by Provider’s metering equipment during each calendar month of the Term.

The kWh Rate with respect to the System under this Agreement shall be in accordance with the following schedule:

PPA Rate Table

Term Year	kWh Rate (\$/kWh)	Term Year	\$/kWh Rate (\$/kWh)
1	\$0.1510	11	\$0.1510
2	\$0.1510	12	\$0.1510
3	\$0.1510	13	\$0.1510
4	\$0.1510	14	\$0.1510
5	\$0.1510	15	\$0.1510
6	\$0.1510	16	\$0.1510
7	\$0.1510	17	\$0.1510
8	\$0.1510	18	\$0.1510
9	\$0.1510	19	\$0.1510
10	\$0.1510	20	\$0.1510

Distribution Upgrades. Within thirty (30) days of receipt of notice from the Local Electric Utility of distribution upgrade costs required by the Local Electric Utility, Purchaser will provide written notice (email is acceptable) to Provider of Purchaser's election of one of the following options:

- a. Purchaser will pay the entire amount of such distribution upgrade costs, and the kWh rate as stated in PPA Rate Table will remain unchanged. Purchaser shall make payments directly to the Local Electric Utility in accordance with the requirements of the Local Electric Utility.
- b. For every \$0.01 per watt DC of such distribution upgrade costs, the kWh rate in PPA Rate Table will increase \$0.00074 per kWh.

Scope Changes (ITC Eligible): If changes in project scope occur that are eligible for the Federal Investment Tax Credit (such as but not limited to adverse geotechnical conditions) and such additional scope and associated costs go beyond those contemplated as part of the development and implementation of the System in this Agreement, Provider will provide reasonable documentation demonstrating the direct and actual time and materials costs relating to such associated costs, and, within 30 days of receipt of notice from Provider reasonably substantiating the associated costs, Purchaser will provide written notice to Provider of Purchaser's election of one of the following options:

- a. Purchaser will pay the entire amount of such associated costs, and the kWh rate as stated in PPA Rate Table will remain unchanged.
- b. For every \$0.01 per watt DC of such associated costs, the kWh rate in PPA Rate Table will increase \$0.00047 per kWh.

Scope Changes (Non-ITC Eligible): If changes in project scope occur that are not eligible for the Federal Investment Tax Credit (such as but not limited to additional required ADA upgrades) and such additional scope and associated costs go beyond those contemplated as part of the development and implementation of the System in this Agreement, Provider will provide reasonable documentation demonstrating the direct and actual time and materials costs relating to such associated costs, and, within 30 days of receipt of notice from Provider reasonably substantiating the associated costs, Purchaser will provide written notice to Provider of Purchaser's election of one of the following options:

- c. Purchaser will pay the entire amount of such associated costs, and the kWh rate as stated in PPA Rate Table will remain unchanged.
- d. For every \$0.01 per watt DC of such associated costs, the kWh rate in PPA Rate Table will increase \$0.00062 per kWh.

If the aggregate of costs set forth above for which Purchaser has elected to pay for via increased kWh Rate exceed the maximum total kWh Rate increase of \$0.02033 the Provider has the option to terminate this Agreement and to remove the System pursuant to Section 2.4 of the General Conditions. In no event shall Purchaser be responsible for costs that exceed the stated kWh Rate increase.

III. Schedule 3 – Early Termination Fee

The Early Termination Fee with respect to the System under this Agreement shall be calculated in accordance with the following:

Early Termination Occurs in Year:	Column 1 Early Termination Fee where Purchaser does <u>not</u> take Title to the System (\$/Wdc including costs of removal)	Purchase Date Occurs on the 91st day following: (Each “Anniversary” below shall refer to the anniversary of the Commercial Operation Date)	Column 2 Early Termination Fee where Purchaser takes Title to the System (\$/Wdc, does <u>not</u> include costs of removal)
1*	\$3.75		--
2	\$3.49		--
3	\$3.32		--
4	\$3.21		--
5	\$3.12		--
6	\$3.04		--
7	\$3.02	5 th Anniversary	\$2.54
8	\$3.00	6 th Anniversary	\$2.52
9	\$2.98	7 th Anniversary	\$2.50
10	\$2.96	8 th Anniversary	\$2.48
11	\$2.94	9 th Anniversary	\$2.46
12	\$2.93	10 th Anniversary	\$2.44
13	\$2.91	11 th Anniversary	\$2.43
14	\$2.89	12 th Anniversary	\$2.41
15	\$2.88	13 th Anniversary	\$2.39
16	\$2.87	14 th Anniversary	\$2.38
17	\$2.86	15 th Anniversary	\$2.37
18	\$2.85	16 th Anniversary	\$2.36
19	\$2.84	17 th Anniversary	\$2.35
20	\$2.83	18 th Anniversary	\$2.34
		19 th Anniversary	\$2.33

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).

*Includes Early Termination prior to the Commercial Operation Date.

IV. Schedule 4 – Estimated Annual Production

Estimated Annual Production commencing on the Commercial Operation Date with respect to System under this Agreement shall be as follows:

Term Year	Estimated Production (kWh)	Term Year	Estimated Production (kWh)
1	864,864	11	822580.9
2	860,540	12	818,468
3	856,237	13	814375.7
4	851,956	14	810303.8
5	847,696	15	806252.3
6	843457.5	16	802221.0
7	839240.2	17	798209.9
8	835044.0	18	794218.9
9	830868.8	19	790247.8
10	826714.5	20	786296.5

The values set forth in the table above are estimates (and not guarantees), of approximately how many kWhs are expected to be generated annually by the System assuming the System size indicated in Schedule 1 and based on initial System designs. Provider may deliver to Purchaser an updated table on or about the Commercial Operation Date based on the actual System size and design.

V. Schedule 5 – Notice Information

Purchaser:

[]

Provider:

FFP BTM Solar, LLC
c/o Forefront Power, LLC
Attn: Director, Energy Services
100 Montgomery St., Suite 725
San Francisco, CA 94104

With a copy to

FFP BTM Solar, LLC
c/o Forefront Power, LLC
Attn: Legal Department
100 Montgomery St., Suite 725
San Francisco, CA 94104
Email: FPLegal@forefrontpower.com

Financing Party:

[To be provided by Provider when known]

VI. Schedule 6 – Reserved

VII. Schedule 7 – Specific Items for Scope of Work

- 1.1. All System structures shall be permitted through the authority having jurisdiction as carports or shade structures, as applicable. Provider shall obtain permits on behalf of the project(s), including building department, structural, grading, and/or electrical permits as required.
- 1.2. Provider and Purchaser are operating under the assumption that the premises will be eligible for a CEQA Notice of Exemption (NOE), and that a special use, conditional use, or zoning permit will not be required. Provider assumes that Purchaser, as lead agency, will issue a Notice of Exemption for CEQA. Upon request, Provider shall provide such limited support as necessary to Purchaser to obtain the NOE, including, if necessary, biological study and associated consultant statement and summary citing exemptions applicable. Provider shall not be responsible for costs or delays associated with any unforeseen required CEQA studies, special use, conditional use, or zoning permits, or mitigations that may result from a CEQA submittal and public comment.
- 1.3. Solar arrays will be canopy height of 10' minimum clearance.
- 1.4. Provider shall be responsible for all tree trimming and tree removal in order to facilitate the installation of the Systems. Provider will remove tree such that area is flush with grade. Purchaser shall acknowledge and approve removal of trees identified by Provider, in order to

install the system and such approval shall not be unreasonably withheld. Where tree removal will occur, Provider shall grind tree stumps to a maximum of 4 inches below grade. Purchaser shall be responsible for the costs associated with afforestation or reforestation for any trees removed. Purchaser can elect to address afforestation or reforestation itself, or require that Provider address it through the change order process described in Schedule 2. Irrigation re-routing shall not be the responsibility of the Provider.

- 1.5. Provider intends to interconnect the System to Purchaser-owned 480V service conductors at a mutually agreeable location. Provider assumes that the existing conductors and service equipment are sufficiently capable of accepting the additional electrical load of the System. Provider shall not bear responsibility for any required upgrades to the pre-existing electrical system.
- 1.6. Provider shall be responsible for all fees associated with the interconnection application, except that Provider shall not be responsible for transmission and distribution upgrades determined necessary by the Local Electric Utility.
- 1.7. Provider excludes all ADA related work. Should any excluded items for ADA-compliance be required, Provider will work with Purchaser in good faith to determine a mutually-acceptable solution for Purchaser to pay the costs associated with such upgrades, including potentially an increase in the kWh rate in Schedule 2.
- 1.8. Provider excludes generator backup of Purchaser's electrical service during temporary service outage during interconnection of the System (up to 8 hours of shutdown, which can be planned to take place during off-hours).
- 1.9. Provider assumes no title and/or real estate risks, encumbrances or other limitations exist that would otherwise limit Provider's ability to access the site, install, own and operate the system. Provider assumes that all parcels encompassed by the site area recommended by Purchaser will be owned by Purchaser at time of development.
- 1.10. Provider assumes that soil conditions are not such soils that are rocky, sandy, contaminated, ground water, caving, or otherwise have problematic construction limitations. Provider assumes no required shoring or de-watering for piers or trenches, and a maximum required pier depth of 10' and diameter of 30". If soil conditions prove to be more adverse than these assumptions, Provider shall not be responsible for such additional expenses. Provider shall work with Purchaser in good faith to determine a mutually acceptable solution for Purchaser to pay such additional costs, including potentially an increase in the kWh rate in Schedule 2.
- 1.11. Purchaser is responsible for unforeseen underground conditions including utilities not discoverable by industry standard methodologies.
- 1.12. Provider agrees to construct the System in no more than 1 construction phase, and that Provider will be allowed ample space, to the extent that it is available, to store material on site.
- 1.13. Provider shall be responsible for all inspection and inspector costs associated with the installation of the system.

VIII. Schedule 8 – Site Diagram



IX. Schedule 9 – Acknowledgment of Upgrades, Schedule or Scope Change

Upgrades, Scope and/or Schedule Change Acknowledgment

This Acknowledgment is made in accordance with Section 10 of the Special Conditions, as defined in that Energy Service Agreement – [Solar], between [PURCHASER] (“Purchaser”) and FFP BTM Solar, LLC (“Provider”), dated [_____, 20__] (the “Agreement”). Upon execution by both Purchaser and Provider, this Acknowledgment shall be effective as of [INSERT DATE] (the “Acknowledgment Effective Date”).

1. Type of Change:

- Distribution Upgrades
- Scope Changes (ITC Eligible)
- Scope Changes (Non-ITC Eligible)
- Day for Day Extension
- Extension for Good Cause

2. Description of Change

[INSERT DESCRIPTION AND IF PROVIDER SEEKING EXTENSION FOR GOOD CAUSE, PROVIDER TO DETAIL CIRCUMSTANCES AND ACTIONS PROVIDER IS TAKING TO COMPLETE SYSTEM ON AGREED UPON SCHEDULE]

3. kWh Rate and Early Termination Fee [IF NO IMPACT TO RATE OR ETF THEN DELETE]

[INSERT UPDATED KWH RATE AND EARLY TERMINATION FEE TABLE]

4. Estimated Annual Production [IF NO IMPACT TO ESTIMATED ANNUAL PRODUCTION THEN DELETE]

[INSERT UPDATED SCHEDULE 4 ESTIMATED ANNUAL PRODUCTION TABLE]

5. Updated Guaranteed Construction Start Date and Guaranteed Commercial Operation Date [IF NO IMPACT TO CLIFF DATES THEN DELETE]

The Parties hereby agree that the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date as defined in the Agreement are updated as follows:

Guaranteed Construction Start Date: [_____]
Guaranteed Commercial Operation Date: [_____]

The Parties hereby acknowledge and confirm the terms set forth herein as of the Acknowledgment Effective Date.

[PURCHASER]

FFP BTM Solar, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____