

**Power & Water Resources Pooling
Authority**

Regular Meeting of the Board of Directors

**9:00 A.M.
Wednesday, June 7, 2023**

Power and Water Resources Pooling Authority

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a Regular Meeting of the Board of Directors of the Power and Water Resources Pooling Authority (PWRPA) will be held on **June 7, 2023, at 9:00 a.m., at the Cawelo Water District, 17207 Industrial Farm Road, Bakersfield, CA 93308**, and by simultaneous teleconference at the following locations:

Byron Bethany Irrigation District
7995 Bruns Rd, Byron, CA 94514

Glenn Colusa Irrigation District
344 E. Laurel St., Willows, CA 95988

Lower Tule River Irrigation District
357 E. Olive Ave./Ave. 152, Tipton, CA 93272

Princeton-Cordora-Glenn ID/ Provident ID
252 Commercial Street, Princeton, CA 95970

Reclamation District 108
975 Wilson Bend Road, Grimes, CA 95950

Sonoma County Water Agency
404 Aviation Blvd., Santa Rosa, CA 95403

West Stanislaus Irrigation District
116 E. St., Westley, CA

Westlands Water District
3130 North Fresno St., Fresno, CA 93703

Zone 7 Water Agency
100 N. Canyons Pkwy, Livermore, CA 94551

Accessible Public Meetings - PWRPA shall resolve requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act. Requests should be sent as soon as practicable via email to the attention of: ADA Request pep@cameron-daniel.com

Regular Agenda (all items below may include possible action, times are approximations)

1	Chair	Roll Call of all Directors participating
2	Chair	Matters Subsequent to Posting the Agenda
3	Chair	Public Comment – During Agenda Item 3, any member of the public may address the Board concerning any matter on the agenda.
4	Chair 2 Min	Consent Agenda A. Minutes of the Regular Board Meeting held on April 5, 2023. B. P3 funds request – RD 108 Distribution Facilities electrical improvement. C. Resolution 23-06-02 <i>2023 Integrated Resource Plan</i> .
5	TR, Auditors 60 Min	A. Report by Auditors. Consider and possibly accept Resolution 23-06-03 <i>2022 Annual Audit</i> . B. Treasurer’s Report - Approval of Ordering Payments of Accounts and Claims; acceptance of the Treasurer’s Report and other items related to Treasurer’s duties.
6	GM OM 45 Min	A. GM Report – Activity update. B. OM Report – Ops highlights; power & RA forecast; Slate; RPS compliance update for CP 3 / CP 4. C. Consider and possibly approve Resolution 23-06-04 <i>Rate Review and Adjustment</i> . D. Consider and possibly approve Resolution 23-06-05 <i>ASA Exhibit E Version 10</i> .

		<p>E. Consider and possibly approve Resolution 23-06-06 <i>2022 Power Source Disclosure.</i></p> <p>F. Consider and possibly approve Resolution 23-06-07 <i>WAPA Annual O&M Obligation for 2025.</i></p> <p>G. Consider and possibly approve Resolution 23-06-08 <i>Wildfire Mitigation Plan Committee.</i></p>
7	GM OM 5 Min	<p>Special Projects</p> <p>A. Consider and possibly approve Resolution 23-06-09 <i>Success Hydro Power Purchase Agreement.</i></p>
8	SC GC 10:30 AM 20 Min	<p>Closed Session</p> <p>A. Conference with legal counsel – Existing litigation: PG&E WDT3 Rate Case, FERC ER22-619, ER20-2878 consolidated. Pursuant to Gov’t Code section 54956.9(d)(1).</p> <p>B. Conference with legal counsel – Existing litigation: PG&E IA, FERC ER23-1661. Pursuant to Gov’t Code section 54956.9(d)(1).</p>
9	Chair	Board Matters – Other announcements.
	Chair	Adjournment - Next Regular Meeting is Wednesday, August 7, 2023, at 9:00 A.M.

Power & Water Resources Pooling Authority

Consent Agenda • Item 4

1. Minutes of the April 5, 2023, meeting.
2. RD 108 P3 request for Distribution Facility improvements.
3. Resolution 23-06-02 2023 Integrated Resource Plan.

Power and Water Resources Pooling Authority

REGULAR MEETING MINUTES April 5, 2023

Chair	<p>Directors and Alternates Present: <i>Dave Nixon (AEWSD), Dave Weisenberger (BCID), Ed Pattison (BBID), Dave Ansolabehere (CWD), Louis Jarvis (GCID), Manny Amorelli (James), John Michael Domondon (LTRID), Gary Enos (PPID), Lance Boyd (PPID), Al Perez (PPID), Jordan Navarott (RD 108), John Brosnan (SCVWD), Dale Roberts (SCWA), Bobby Pierce (WSID), Kiti Campbell (WWD).</i></p> <p><i>Also participating: Bruce McLaughlin (GM), Cori Bradley (OM), Jennifer Montoya (WWD).</i></p>
Chair	<p>Matters Subsequent to Posting the Agenda – Mr. McLaughlin requested that a service request from WWD to add 13 new loads be added to the Consent Agenda.</p> <p>Dave Nixon moved, Bobby Pierce seconded, and participating Directors unanimously approved the addition of Westland’s request to the Consent Agenda.</p> <p style="text-align: center;"><i>Voting Shares: 91.7% Yes / 0% No / 8.3% Absent (BBID, Zone 7)</i></p>
Chair	<p>Public Comment – none</p>
Chair	<p>Stakeholder Appointing Body (Irrigation Districts only) – Consider and possibly approve one new representative as follows: Zone 7 appointee James Carney as an Alternate Director.</p> <p>Manny Amorelli moved, Bobby Pierce seconded, and participating Irrigation District Directors unanimously approved Zone 7’s request to add James Carney to the Board as an Alternate Director.</p> <p style="text-align: center;"><i>Voting Shares: 6 Yes / 0 No / 1 Absent (BBID)</i></p>
Chair	<p>Consent Agenda</p> <p>A. Minutes of the Regular Board Meeting held on February 1, 2023.</p> <p>B. Request to terminate 4 Points of Delivery for WWD.</p> <p>Dave Ansolabehere moved, Dave Nixon seconded, and participating Directors unanimously approved the Consent Agenda.</p> <p style="text-align: center;"><i>Voting Shares: 91.7% Yes / 0% No / 8.3% Absent (BBID, Zone 7)</i></p>
TR GM	<p>A. Treasurer’s Report - Approval of Ordering Payments of Accounts and Claims; acceptance of the Treasurer’s Report and other items related to Treasurer’s duties.</p> <p>Mr. Nixon presented the disbursement list and stated that it reflected the usual items as of February 2023. He then reviewed the basic reports and stated that the field work for the audit has been completed. He noted that the audit itself will be completed by June, followed by a final report. Dave Ansolabehere offered to host the June meeting at Cawelo and the Board members agreed. Mr. Nixon proposed that he and Ms. Bradley present the reconciliation at the August meeting.</p> <p>Bobby Pierce moved, Dave Ansolabehere seconded, and participating Directors unanimously approved the Treasurers Report.</p> <p style="text-align: center;"><i>Voting Shares: 91.7% Yes / 0% No / 8.3% Absent (BBID, Zone 7)</i></p>
GM OM	<p>A. GM Report – Proposed RFPs; DOE Lab research for PWRPA; financial grant research; customer project assistance; WMP full update.</p>

Mr. McLaughlin stated that a month ago in the Hydro Power Operations Committee he learned that National Labs wants to do some studies of energy storage at federal dams as well as a WAPA load site which could benefit PWRPA directly. He requested that the study be conducted on a PWRPA site and explained that if PWRPA is selected, as a non-federal party they will be exempt from the cost share. He also mentioned that there is a study planned which would upgrade the San Luis reservoir to include pump storage.

Mr. McLaughlin stated that he has hired a person to research federal grants applicable to PWRPA. The federal grants require that a severely disadvantaged community receive benefit from each project, so PWRPA's submission must prove the benefit the proposal offers to that area. Mr. McLaughlin stated that there are population limits to some of the grants, but the districts can pull in cities or counties listed on the appropriate census, along with the average income of residents of those cities or counties. Other grants are not as restrictive with respect to population. Some possible projects include a microgrid, inline hydro, or dam refurbishment.

Mr. McLaughlin stated that he discontinued the Friday meetings due to lack of attendance by Board Members. He stated however, that he wants to make himself available to the districts to discuss opportunities available through the IRA and DERS and encouraged Board Members to contact him.

B. **OM Report** – Ops highlights; power & RA forecast; wet hydrology discussion and Rate Review; RPS compliance update for CP 3 / CP 4.

Ms. Bradley stated that this month her team worked on SLATE issues, met with Board Members regarding onsite solar projects, and initiated work on the 2022 reconciliation. She stated that in the month of April, her team will continue to work on SLATE business, the reconciliation, updating the budget for wet year trends, and the LTRID hydro implementation.

Ms. Bradley stated that originally, her team had adopted a dry year budget and are just beginning to revise to a wet year scenario and therefore aren't ready to make rate recommendations. She is anticipating rate changes in June. Additionally, she stated that WAPA has not updated their reports to reflect the wet year.

Mr. McLaughlin asked districts if they take less water in a wet year to which Bobby Pierce answered in the affirmative. Dave Nixon stated that they take more water for delivery to secondary contracts. Kitty O'Neil stated that her district takes much more water.

Ms. Bradley stated that February saw good performance by PWRPA assets and noted that power prices are dropping slowly.

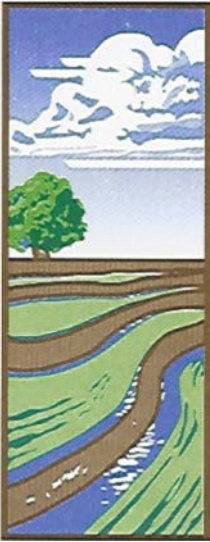
She stated that rec prices have been unstable of late noting that typical prices range from \$15 to \$20 each, however they are currently \$40. Ms. Bradley stated that her team is allowing Whitney Point and Slate to generate in the negative and have set the threshold to -25 in order to get as many recs as possible. Her team is considering running Astoria in the negative as well.

Ms. Bradley said that because the snowpack is good, her team is anticipating a drop in prices and are looking into a purchase of off-peak power for 2024 and 2025. She may need to revise her purchasing authority for these purchases.

Mr. Nixon asked if the increase in water and PWRPA's delivery of it will benefit PWRPA's RPS, and if PWRPA will receive a credit for large hydro against total power use. Ms. Bradley said it will help by lowering PWRPA's retail sales because PWRPA is able to use actual load as opposed to the 7-year average, as well as only having to purchase the lesser of its exposed load or the renewable requirement. It will also increase the amount of bucket 0. He also asked if all districts could have an all-green power designation this year. Ms.

	<p>Bradley and Mr. McLaughlin agreed that is possible, however it will depend on how much base resource PWRPA receives.</p> <p>Ms. Bradley said PWRPA is beginning to receive base resource so if 40% of retail sales use Base resource it will trigger the actual rather than the 7-year average. She stated that for the 2024 budget they will use 2020 as a model hoping for a good carryover storage year.</p> <p>She said that her team is hoping for Cawelo to come online this year as a bucket 3. She stated that her team will keep monitoring rec prices to determine whether to buy now or push procurement out.</p> <p>Ms. Bradley presented a report that gives a forward look for recs grouped by compliance periods. She showed that PWRPA as a whole has plenty of bucket 1, however some districts are long and some short. PWRPA members who are long can sell to those who are short, and Ms. Bradley will assist in that process, or purchase from outside sources.</p> <p>C. Consider and possibly approve Resolution 23-04-01 <i>Annual Update of Exhibits B & C to the Joint Powers Agreement and Cap & Trade Allocations.</i></p> <p>Mr. McLaughlin stated that this update is done every year. Exhibit B is the 5-year average energy. Ms. Bradley said that 2017, a wet year, is dropping off and a very dry year is being added. Mr. McLaughlin stated that this will affect the various districts' Cap & Trade allocations as well as the percentage of cost.</p> <p>Bobby Pierce moved, Dave Nixon seconded, and participating Directors unanimously approved the Resolution 23-04-01.</p> <p><i>Voting Shares: 95.6% Yes / 0% No / 4.4% Absent (Zone 7)</i></p> <p>D. Consider and possibly approve Resolution 23-04-02 <i>Aggregation Services Agreement Exhibit E Ver. 10.</i></p> <p>Ms. Bradley explained that because there are districts who participated in the Demand Response Program the team decided to take an active measure to have a very specific elected amounts in the day-ahead market vs that which will flow into real time. She is making the request that only in explicit demand response programs and explicit event hours will PWRPA make the shift to split day ahead to be allocated on district forecasted load and then real time will go based on the difference between the actual meter and the day ahead. Mr. Nixon requested no vote be taken for this resolution due to some concern about cost and benefit for participating in the Demand Response Program. Mr. McLaughlin will put this Resolution on a future agenda.</p>
GM OM	<p>E. Special Projects</p> <p>A. Slate update / Whitney Point price.</p> <p>Ms. Bradley said her team normally only allows Slate to generate up to -15 however they have been letting it generate up to -25 to gain recs. She said her team is getting closer to an agreement with MN8 with respect to the financial calculations for Slate. They are also working on the definitions of hybrid vs collocated facility with Slate and the ISO.</p> <p>B. Lower Tule River Success Hydro PCC 1 agreement.</p> <p>Mr. McLaughlin reported that Lower Tule has a 1.4 MW small hydro that they would like to get back up into generation. This unit would provide PCC 1 RECs and Mr. McLaughlin proposed a PPA for PWRPA to take full output by contract but then the price risk and reward goes to LTRID. They would have the cost for scheduling, but we would do the scheduling and pay them \$20 per REC which would provide a mutual benefit. LTRID is interested in an 8-month contract with PWRPA.</p>

	<p>C. Options for PWRPA-specific distributed solar and storage installations.</p> <p>Mr. McLaughlin explained historic and projected solar installation nationwide and displayed a forecast through 2033 showing a large upswing in PV installations. He explained three financial and structural models for distributed energy storage:</p> <p>1. Net energy metering: Mr. McLaughlin explained that this when the meter goes backwards and excess generation is fed back into PG&E’s grid. This is less cost effective than it used to be and no PWRPA district follows this model.</p> <p>2. Buy All Sell All: Mr. McLaughlin stated that this occurs when all of a customer’s power comes from PG&E and any power generated by said customer is sold back into the grid. No PWRPA district follows this model.</p> <p>3. Net Billing: Mr. McLaughlin stated that this is the option PWRPA, along with White Pine, is interested in. This option uses solar behind-the-meter power thereby taking less from the grid. This will cost districts less than grid energy because in this model the TAC and the WDT don’t apply. PWRPA can’t make the meter go backwards, however White Pines proposes that they will own the DG system and then they will sell the excess into the grid to PG&E under a PURPA (Public Utility Regulatory Policy Act). This act requires that investor-owned utilities are required to buy renewable output from a qualified facility. White Pine will get paid the avoided cost under this agreement. PWRPA will only pay for the energy needed and thereby save money. BCID and WSID will potentially be the first to try this option out.</p>
SC GC	<p>Closed Session</p> <p>A. Conference with legal counsel – Existing litigation: PG&E WDT3 Rate Case, FERC ER22-619, ER20-2878 consolidated. Pursuant to Gov’t Code section 54956.9(d)(1).</p> <p>After returning to open session, Mr. Mclaughlin stated that no action was taken during closed session.</p>
Chair	Board Matters – Other announcements.
Chair	Adjournment - Next Regular Meeting is Wednesday , June 7, 2023, at 9:00 A.M.



May 24, 2023

Mr. David Nixon, Treasurer
Power and Water Resources Pooling Authority
P.O. Box 160
Arvin, CA 93203

RECLAMATION
DISTRICT

108

975 Wilson Bend Road
P.O. Box 50
Grimes, CA 95950-0050
(530)437-2221
Fax: (530)437-2248
www.rd108.org

Board of Trustees

Roger Cornwell, President
Frederick J. Durst, Vice President
Sean Doherty
Todd Miller
Hilary Reinhard

General Manager
and Secretary

Lewis Bair

Deputy Managers

Meegan Nagy
William Vanderwaal

Dear David,

Reclamation District 108 is requesting the use of P3 funds for reimbursement of work performed at Poundstone and Lateral 8 pumping plants for \$5,750.63(Richall Electric Invoice 2918). Please utilize RD108's funds from the oldest layers first.

Thank you,

Jordon Navarrot

Jordon Navarrot
Superintendent
Reclamation District 108

Enclosures

cc: Bruce McLaughlin, PWRPA General Manager
Cori Bradley, RBI

Richall Electric

2176 Live Oak Blvd
Yuba City, CA 95991
530-673-4682 Lic # 1062309
Mailing Address – P O Box 1847
Yuba City, CA 95992

INVOICE

BILL TO

Reclamation District #108
P O Box 50
Grimes, CA 95950

INVOICE # 2918

DATE 04/19/2023

JOB

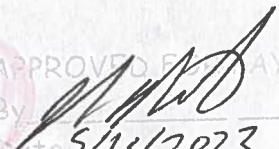
State Highway 45

Billing to 100% for later 8 pump plant surge suppressor and inspections and oil samples at poundstone pumping plant and lateral 8 check.

Thank you for your business!

BALANCE DUE

\$5,750.63

APPROVED FOR PAYMENT
BY 
Date 5/13/2023
500 DRISP

RECLAMATION DISTRICT NO. 108
MAINTENANCE FUND
P.O. BOX 50
GRIMES, CA 95950-0050



River City Bank
925 L STREET, STE. 170
SACRAMENTO, CA 95814
1-800-364-7144

31548

31548

90-3341/1211

PAY TO THE ORDER OF Five Thousand Seven Hundred Fifty dollars and Sixty Three Cents

DATE
5/18/23

AMOUNT
\$5,750.63**

Richall Electric
PO Box 1847
Yuba City, CA 95992

VOID AFTER 180 DAYS

[Handwritten Signature]
AUTHORIZED SIGNATURE

2918

⑈031548⑈ ⑆121133416⑆ 4457859935⑈

RECLAMATION DISTRICT NO. 108
MAINTENANCE FUND

31548

Richall Electric	5/18/23	31548
Memo/Invoice: 2918		\$5,750.63
Acct. Ref. Description		Amount
560 2918 Lateral 8 Pump Plant Inspections and		5,750.63

RECLAMATION DISTRICT NO. 108
MAINTENANCE FUND

31548

Richall Electric	5/18/23	31548
Memo/Invoice: 2918		\$5,750.63
Acct. Ref. Description		Amount
560 2918 Lateral 8 Pump Plant Inspections and		5,750.63

Security features. Details on back.



Power & Water Resources Pooling Authority
Resolution 23-06-02

INTEGRATED RESOURCE PLAN ANNUAL PROGRESS REPORT

WHEREAS, Congress requires the Western Area Power Administration ("WAPA") and its customers to provide an annual report of supply-side, demand-side, and renewable resource activities undertaken as a result of the National Energy Policy Act of 1992; and

WHEREAS, WAPA's Integrated Resource Plan ("IRP") Regulations (10 CFR Part 905, Western's Energy Planning and Management Program) require customers to submit IRPs every 5 years and annual IRP progress reports in such form and containing such information as to describe the customer's accomplishments achieved pursuant to the action plan, including projected goals, implementation schedules, resource expenditures, energy and capacity benefits and renewable energy developments achieved as compared to those anticipated.; and

WHEREAS, electronically reporting the information required in 10 CFR Part 905 using WAPA's online IRP Reporting Program satisfies PWRPA's reporting requirement; and

WHEREAS, PWRPA's Operations staff, in collaboration with the PWRPA Project Participants, have prepared the 2023 Five Year IRP Progress Report.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves the 2023 Five Year IRP Progress Report, appended hereto as Attachment A.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

ATTACHMENT A
to
RESOLUTION 23-06-02

INTEGRATED RESOURCE PLAN (IRP)

Date:

IRPs shall consider all reasonable opportunities to meet future energy resource requirements using Demand Side Management techniques, new renewable resources and other programs that will provide retail consumers with electricity at the lowest possible costs, and minimize, to the extent practicable, adverse environmental effects.

To meet your Integrated Resource Planning reporting requirement, complete the following. Unaddressed items will be deemed incomplete and not eligible for approval. Western reserves the right to require customers to provide any supporting back-up data used to support and develop this report.

Customer Contact Information:

(Provide contact information for your organization. Contact person should be able to answer questions concerning the plan)

Customer Name:	Power and Water Resources Pooling Authority (PWRPA)
Address:	3514 W. Lehman Rd, Tracy CA 95304
Contact Person:	Cori Bradley
Title:	Operations Manager
Phone Number:	916-405-8923
E-Mail Address:	cori@robertson-bryan.com
Website:	www.pwrpa.org

Type of Customer:

(Check one as applicable)

<input checked="" type="checkbox"/>	Municipal
<input type="checkbox"/>	State
<input type="checkbox"/>	Federal
<input checked="" type="checkbox"/>	Irrigation District
<input checked="" type="checkbox"/>	Water District
<input type="checkbox"/>	Other (Specify) _____

Identification of Resource Options (considerations that may be used to develop potential options include cost, market potential, consumer preferences, environmental impacts, demand or energy impacts, implementation issues, revenue impacts, and commercial availability):

Supply-side options:

(Including, but not limited to purchase power contracts and conventional and renewable generation)

List existing supply-side options:	List future supply-side resource options considered and evaluated:
Base Resource allocation from WAPA	Base Resource allocation from WAPA
Forward and Day-ahead Bilateral Power Contracts.	Forward and Day-ahead Bilateral Power Contracts.
Share of Whitney Point Solar	Share of Whitney Point Solar
Share of Astoria Solar Project	Share of Astoria Solar Project
Share in Lodi Energy Center Plant	Share in Lodi Energy Center Plant
Slate Solar & Battery Project	Slate Solar & Battery Project
Warm Springs Small Hydro	Warm Springs & Lake Success Small Hydro
Santa Clara Valley Solar Projects	Santa Clara Valley Solar Projects
Westlands BOR payback	Westlands BOR payback
	Survey of solar, small hydro, and other renewable development opportunities
	Continue to evaluate energy storage opportunities
	Conduct surveys of low head hydro generation possibilities.

Demand-side options:

List existing demand-side options:	List future demand-side resource options considered and evaluated:
Four districts – AEWSD, SCVWD, WWD, and Z7 – participated in California’s 2022 Demand Side Grid Support program, curtailing a total of 296,000 kWhs of load from CAISO’s grid.	Continued district participation in CA’s DSGS program (May-October); possible additional districts to participate in future years
RD108: Concrete lined canals	RD108: Sealing cracks on concrete lined canals
	GCID: evaluating the use of PV energy generation at our pump station and some recapture pump sites but has no firm plans to initiate any PV project.
Raising water levels in canals to reduce pumping lifts.	Ongoing evaluation of microgrid opportunities
Utilization of water storage to meet demand and offset pumping.	
Pump testing to identify failing equipment	
Experiments with load shifting to avoid peak periods.	

Resource options chosen:

(Provide a narrative statement that describes the option chosen and clearly demonstrates that decisions were based on a reasonable analysis of the options)

PWRPA's load forecast is the aggregation of its member district load forecasts for three-year types: wet, average and dry. Base Resource projections and existing other supplies in the portfolio are applied against the load forecasts to determine the Net Short Position (NSP). This determination is updated and evaluated monthly to adapt to changing Base Resource and demand projections.

PWRPA's Risk Policy Compliance stipulates that PWRPA purchases contracts with market suppliers to hedge 100 percent of its forecasted NSP for the upcoming four months, 80 percent for the following two months, 60 percent for the following three months, 50 percent for the following nine months and 30 percent for the following nine months.

PWRPA values a diverse resource portfolio. In addition to Base Resource, we currently have long-term contracts for partial ownership in a combined cycle natural gas plant, participation in multiple solar/battery plants (large and small), and small hydro. Looking toward the future we are evaluating energy storage and micro grid opportunities. In considering new projects, we aim to maintain a competitive price advantage over other utilities, comply with state regulatory mandates, and honor our member specific portfolio content goals.

The member districts have taken steps to conserve power through various methods, including load-shifting, implementing energy-efficiency methods, engineering water conservations measures, and inspecting and replacing worn equipment. PWRPA has a Public Purpose Program to collect and spend money on participant projects aimed at energy efficiency.

Action Plan:

Specific Action Items to be Implemented Over the Next 5 Years:

(Lists are not meant to be inclusive, complete and provide other action items as applicable)

Energy Consumption Improvements:

Proposed Items	Begin Date	End Date	Est. kW capacity savings per year	Est. kWh savings per year	Milestones to evaluate accomplishments
Boiler, Furnace, air conditioning retrofits					
Weatherization, insulation					
storm windows/doors					
Insulation of air ducts, boilers, pipes, etc.					
Clock thermostats and equipment system timers					
Heat pumps					
Energy audits					
Public education programs	Ongoing	Ongoing	n/a	n/a	Lower water use through outreach
Loan arrangements or					

rebate program for energy efficient equipment					
Use of infrared heat detection equipment					
Energy efficient lighting	Ongoing	Ongoing	n/a	n/a	Yearly testing/maintenance
Equipment inspection programs	Ongoing	Ongoing	n/a	n/a	Preventative maintenance
Electric motor replacements					
Upgrading of distribution lines/substation equipment					
Power factor improvement					
Other: SCADA	Ongoing	Ongoing	n/a	n/a	Units monitored and controlled remotely

Renewable Energy Activities:

Proposed Items	Begin Date	End Date	Est. kW savings per year	Est. kWh savings per year	Milestones to evaluate accomplishments
Solar thermal/photovoltaic projects	Various	Various			Various districts evaluating behind-the-meter on-site solar installations
Day lighting technologies					
Active solar installations					
Active solar installations					
Biomass/refuse-derived fuels					
Geothermal projects					
Small-scale hydro projects	2023	Continuous	1400	1,321,500	LTRID's Success Power Plant to come under PWRPA's scheduling portfolio
Other:					

Load Management Techniques:

Proposed Items	Begin Date	End Date	Est. kW savings per year	Est. kWh savings per year	Milestones to evaluate accomplishments
Load management devices/systems					
Demand control techniques and equipment	2023	NA	Variable	Variable	Continued district participation in CA's DSGS program (May-October); possible additional districts to participate in future years. Demand response opportunities, identification of loads that can provide value.
Smart meters or automated equipment					
Time-of-use meters					98% of meters are already

					<i>interval, working on migration to 4G communication.??</i>
Other: _____	Unknown	Unknown	Unknown	Unknown	Districts are working and implementing their SGMA (groundwater management plans) which result in reducing energy usage through decreased groundwater pumping.

Rate Design Improvements:

Proposed Items	Begin Date	End Date	Est. kW savings per year	Est. kWh savings per year	Milestones to evaluate accomplishments
Cost-of-service pricing					
Elimination of declining block rates					
Time-of-day rates					
Seasonal rates					
Interruptible rates					
Other: _____					Rate incentives to convert to drip/micro spray which leads to avoiding pumping energy.

Agricultural Improvements:

Proposed Items	Begin Date	End Date	Est. kW savings per year	Est. kWh savings per year	Milestones to evaluate accomplishments
Irrigation pump utilization/scheduling					
Irrigation pump testing or efficiency improvements	Annual	Ongoing	Unknown	Unknown	Districts test, repair, rewind pump motors on a regular schedule
Electric motor replacement	2014	2034	n/a	n/a	Pump Replacements done in phases, over 250 units.
Photovoltaic pumping systems					
Ditch lining or piping	6/1/2024	6/1/2028			RD108: Miles of concrete lined canal sealed
Laser land leveling					
Pumpback systems					
Water conservation programs	1992	Ongoing	n/a	n/a	SGMA and storage over pumping operational changes. Various programs and policies among Districts.???
Other: _____					

Environmental Effects:

(Provide a narrative statement that sets forth the efforts taken to minimize adverse environmental effects of new resource acquisitions)

[Empty box for Environmental Effects narrative]

Public Participation:

(Customers must provide ample opportunity for full public participation in preparing and developing an IRP. Provide a brief description of public involvement activities, including how information was gathered from the public, how public concerns were identified, how information was shared with the public, and how it responded to the public comments)

All member districts were given copies of the IRP report and asked to respond to questions that were applicable to them.

PWRPA holds monthly Board meetings which are open to the public. Throughout the year, the Board evaluates resource positions and opportunities and members have full discretion of their participation levels in PWRPA projects. In the next year the PWRPA Board will be working to update policies relating to changes in State Renewable goals.

PWRPA's members Board meetings are also public and have various versions of public outreach and education on water and energy conservation (which reduces power needs).

Future Energy Service Projections:

(Provide a load forecast to show expected growth or expansion; or a narrative statement concerning expected future growth)

Calendar Year	Peak Demand (kW)	Total Energy (kWh)
2024		
2025		
2026		
2027		
2028		

or Narrative Statement:

PWRPA is a Joint Power Authority serving 14 California Water purveyors from Willows in the Northern Sacramento Valley to the Bakersfield area in the Southern San Joaquin Valley. Annual energy use and peak demands are inversely related to California’s rainfall and the type of hydropower production year. In addition, microclimates and hydrology differ greatly with the various Water Agencies throughout Western’s Sierra Nevada Region. In a wet year power use is reduced due to lower power demands for water pumping. Conversely, in a dry year like 2022, demands are much higher. Our load can swing from 300,000 to 500,000 MWh.

Load growth of PWRPA and its participants is principally due to water source changes forced by regulatory. Although we have some Districts planning to add load to PWRPA service, we anticipate that load will steady or go down in the next 5 years due to behind the meter solar installations and changes in operations due to SGMA (Sustainable Groundwater Management Program).????

Measurement Strategies:

(Provide a brief description of measurement strategies for options identified in the IRP to determine whether the IRP’s objectives are being met. These validation methods must include identification of the baseline from which a customer will measure the benefits of its IRP implementation)

PWRPA reports its power use by source to the California Energy Commission relative to its mix of carbon based and renewable resources.

Various Districts voluntarily report to the Climate Registry.

Monthly reports to the Board of Directors summarize load and schedules to assess efforts.

Scheduling protocols through web-based software allow districts to view compliance via scheduled and metered load.

Districts maintain pumping records to compare against past performance, maintain water flow data and produce annual reports to evaluate baseline and performance, and calculate irrigation efficiency of crops grown.

--

IRP Approval:

(Indicate that all of the IRP requirements have been met by having the responsible official sign below; **or** provide documentation that the IRP has been approved by the appropriate governing body)

_____	_____
(Name – Print or type)	(Title)
_____	_____
(Signature)	(Date)

Other Information:

(Provide/attach additional information if necessary)

5-Year Plan

Power & Water Resources Pooling Authority

Regular Agenda • Item 5.A

1. Auditor's report for contract year 2022.
2. Resolution 23-06-03 *2022 Audit*.

Power & Water Resources Pooling Authority
Resolution 23-06-03

ANNUAL AUDIT FOR CONTRACT YEAR 2022

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) was created by a Joint Powers Agreement (“JPA”) to, among other things, acquire, construct, maintain, operate, and finance water and energy related projects; and

WHEREAS, Section 4.2.2 of the JPA provides that all funds shall be strictly, and separately, accounted for; and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year; and

WHEREAS, Sections 3.11.3 and 4.2.2 of the JPA provide that unless otherwise exempted from such requirement, the Board of Directors shall contract with a certified public accountant or public accountant to make an annual audit of PWRPA’s accounts and records, which shall be conducted in accordance with the requirements of Government Code Section 6505.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Accepts the Annual Audit for Contract Year 2022, appended hereto as Attachment A.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

ATTACHMENT A
to
RESOLUTION 23-06-03

*Power and Water Resources
Pooling Authority*

Financial Statements

December 31, 2022 and 2021

DRAFT

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Independent Auditors' Report

Board of Directors
Power and Water Resources Pooling Authority
Tracy, California

Opinions

We have audited the accompanying financial statements of the Power and Water Resources Pooling Authority as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Power and Water Resources Pooling Authority as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Power and Water Resources Pooling Authority, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Power and Water Resources Pooling Authority's ability to continue as a going concern for twelve months beyond the

financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Power and Water Resources Pooling Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Power and Water Resources Pooling Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 15, be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedules of revenue and operating expenses and insurance coverage on pages 31 through 33, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues and operating expenses and insurance coverage are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**BARBICH HOOPER KING
DILL HOFFMAN
Accountancy Corporation**

Bakersfield, California
June 7, 2023

Management's Discussion and Analysis

Power and Water Resources Pooling Authority

Management's Discussion and Analysis

As management of the Power and Water Resources Pooling Authority (“Authority”), we offer readers of the Authority’s financial statements this narrative overview and analysis of the Authority’s financial performance during the fiscal years ended December 31, 2022 and 2021. Please read it in conjunction with the Authority’s financial statements, which follow this section.

Introduction

The Authority operates as a publicly-owned electric utility and provides retail electric service to its public agency customers.¹ The Authority began providing retail electric service to its Project Participants on January 1, 2005, pursuant to contracts and agreements put into place in 2004.² The Authority’s public agency customers utilize electric power to pump, convey, store, treat, and distribute water for agricultural and municipal purposes. The Authority recognizes that water-related activities and electric power consumption are directly related and that the exchange of water and electric power resources is a variable means of managing both electric power consumption and water supplies.

The Authority is comprised of certain “Parties”, with additional participation by “Stakeholders”, as such terms are defined under the Joint Powers Agreement. Parties include Banta-Carbona Irrigation District, Byron Bethany Irrigation District, Glenn-Colusa Irrigation District, James Irrigation District, Lower Tule River Irrigation District, Princeton-Codora-Glenn Irrigation District, Provident Irrigation District, and West Stanislaus Irrigation District. Public agencies that have executed the Cost Sharing Agreement to become Stakeholders are Arvin-Edison Water Storage District, Cawelo Water District, Reclamation District 108, Santa Clara Valley Water District, Sonoma County Water Agency, Westlands Water District, and Zone 7 Water Agency. Parties and Stakeholders, collectively referred to as Project Participants, are retail electricity customers of the Authority by virtue of executing the Aggregated Services Agreement (“ASA”).

The Project Participants possess the right to receive capacity and energy from the Western Area Power Administration (“WAPA”), a federal agency engaged in the marketing of power generated by federally owned facilities, including the Central Valley Project (“CVP”). The Project Participants have assigned their CVP resource rights to the Authority. The Project Participants recognize the benefits of aggregating their individual allocations of CVP resources, as well as other resources, under a service arrangement whereby the Project Participants can optimize available energy and capacity resources. The Authority has established the capability to calculate the Project Participants’ hourly loads, schedule resources into the electricity market operated by the California Independent System Operator (“CAISO”), provide cost accounting, and bill for electric services provided by the Authority. The provision of retail electric services by the Authority optimizes the efficient use of facilities and resources by allowing the Project Participants to more efficiently aggregate, schedule, dispatch, and deliver energy resources owned, controlled, or purchased by the Authority.

¹ The Authority was established in 2004 as a public agency pursuant to the Joint Exercise of Powers Act, Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California commencing with Section 6500, and all laws which amend or supplement it.

² The Authority has the right to purchase electric power from any agency or entity, public or private, and the authority to provide for the acquisition, operation, leasing, and control of facilities for the generation, transmission, distribution, and sale of electric power.

Management's Discussion and Analysis

Authority Governance and Management

The Board of Directors (“Board”), consisting of a representative from each of the Project Participants, is responsible for overseeing the Authority's operations and making decisions on behalf of the Participants that formed the Authority. This includes acting as the local regulatory authority for setting policies, approving budgets, hiring staff, entering into contracts, and managing the Authority's finances. The Directors have a fiduciary duty to act with good faith and in the best interest of the Authority and the Participants.

The Authority has a General Manager and an Operations Manager who are appointed by the Board to conduct the Authority's business in accordance with Board policies. Pursuant to Resolutions adopted by the Board in 2007 and 2008, including the adoption of a comprehensive Risk Management Policy and associated exhibits and amendments thereto, the Managers are authorized to, among other things, purchase supplemental power and natural gas on behalf of the Authority in forward markets. The Authority has a General Counsel and a Treasurer, both of whom provide advice to the General Manager, but remain separate and independent as they each report directly to the Board.

Since the Authority's inception, Robertson-Bryan, Inc. (“RBI”) has provided a broad scope of services necessary for operations including, among other things, preparing the annual budget and Pro Forma rates, making recommendations to the Board on revenue and expenditure levels, managing all metering issues, managing Scheduling Coordinator functions including load and resource portfolio strategy protocols and coordinating with the Treasurer on all aspects of vendor invoicing, audits, and Participant allocation, monthly and annual reconciliation processes. In October 2021, the Authority executed a 1-year contract extension with RBI through January 2023 that included an increased scope of services to test and implement a new software-as-a-service platform provided by MCG Energy Solutions, LLC (“MCG”). In December 2022, the Authority executed another 1-year contract extension through January 2024 having an annual increase that included a pass-through expense of the MCG monthly invoice paid by RBI.

Beginning in 2006, the Authority engaged Aces Power Marketing, LLC (“ACES”) to provide 24-hour coverage of the Authority's energy management and trading functions, market settlements, credit and risk compliance, and certain other planning functions, including compliance with all future market requirements. In October 2020, the Authority executed a 3-year contract extension with ACES through December 2023 that included a cost and services reduction of more than 20%.

The Authority management continuously evaluates costs of service and cost allocation issues, and then provides recommendations to the Board. Significant and enduring changes were made in 2016 by the Board through: (a) adopting Resolution 15-06-08 *Procedures and Policies to Ensure Business Continuity Including Modifications to the Operating Rules and Regulations*; (b) approving new service agreements with key vendors that set fixed rates with substantial savings for services that fulfilled the Authority's managerial, operational, and legal needs; (c) adopting a zero carbon resource portfolio enabling any Participant to voluntarily procure a customized allocation of power resources within the Authority to achieve its low carbon goals while simultaneously reducing power portfolio costs for all other Participants; and (d) adopting Resolution 16-12-07 which implemented new cost categories and cost allocation algorithms of ASA Exhibit E.

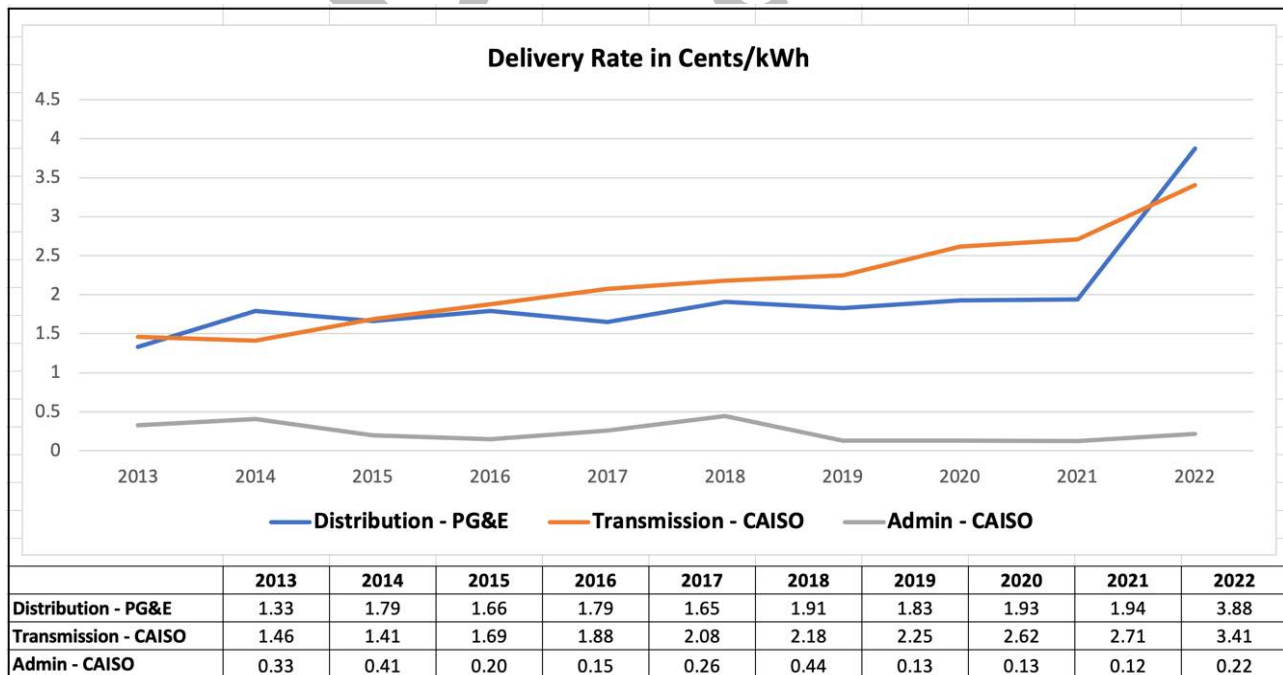
Management’s Discussion and Analysis

The Difficult Year of 2022 in Review

The 2022 year was a difficult time in California for the critical infrastructures of energy, water, and agriculture. Climatic and hydrological issues such as droughts, wildfires, and extreme weather events can have a significant impact on the price of electricity in California. These events can disrupt the state's energy infrastructure, causing power outages and reducing the availability of renewable energy sources. As a result, electricity prices may increase due to higher demand and reduced supply. Geopolitical issues such as changes in energy policies, trade disputes, and political instability in energy-producing regions can also affect the price of electricity in California. For example, if the state relies heavily on imported energy from a region that experiences political instability or trade disruptions, the price of electricity may increase due to supply chain disruptions and increased transportation costs. Overall, these factors can contribute to volatility in the price of electricity in California, which can have significant cascading economic impacts on the Authority (i.e., the energy sector), its Participants (i.e., the water sector), and their customers (i.e., the agricultural sector and municipal water users).

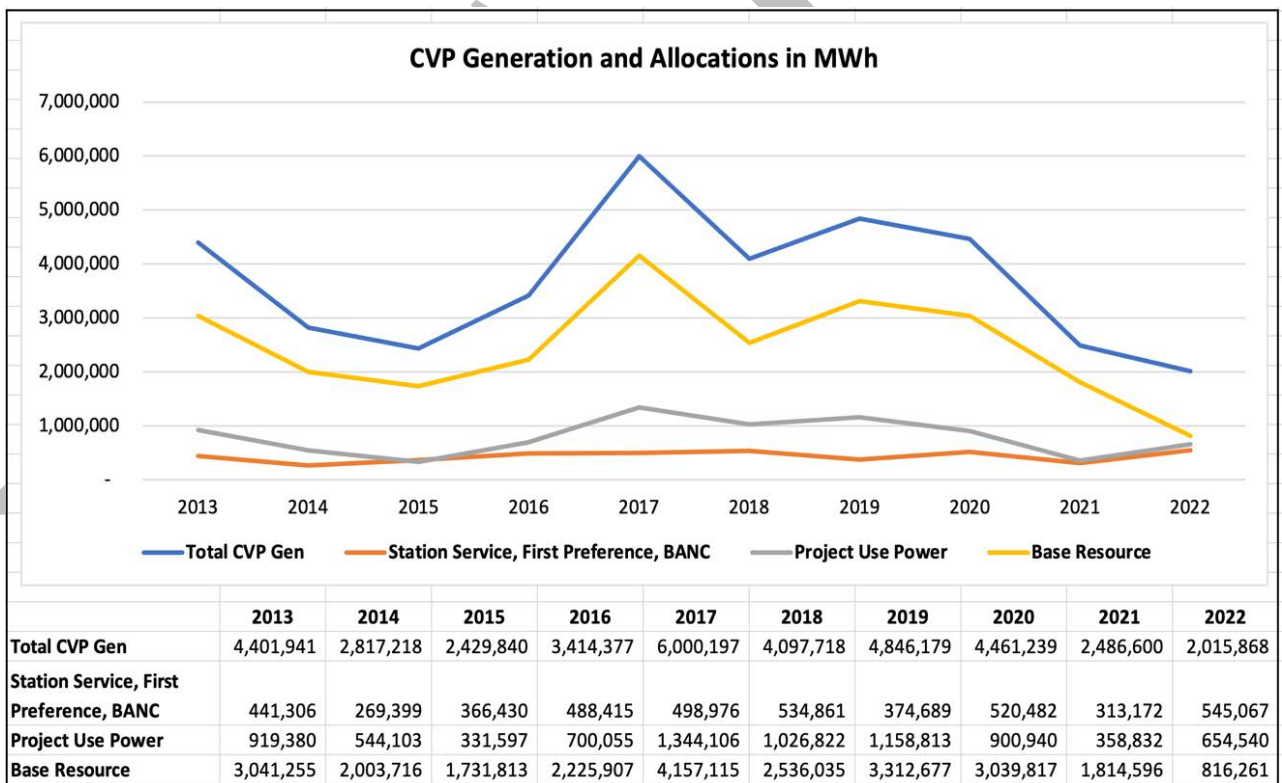
For all Project Participants, 2022 brought compounding extremes in weather, hydrology, tariff adjustments, governmental decisions, geopolitics, and long tail effects of the COVID pandemic.

- Transmission and distribution rates both increased dramatically in 2022. The CAISO increases reflected the costs of additional transmission assets being included in the rate base. PG&E’s substantial rate increases in the annual adjustment were mostly caused by two factors: (1) an annual increase in its distribution revenue requirement by more than \$1 billion primarily due to wildfire costs; and (2) a disparate impact of billing for service based on actual demand rather than contract demand whereby the load-based denominator in the rate calculation decreased. Of note, this latter change will have positive effects in successive years because the Authority’s load ratio share will rise and fall according to its actual usage in dry/wet years, respectively.



Management's Discussion and Analysis

- California's 2022 water year (October 1, 2021 to September 30, 2022) suffered from extreme drought with historically dry months and a record-shattering heatwave. According to the California Department of Water Resources, the 2020 to 2022 drought was the driest three-year period on record, breaking the old record set by the previous drought from 2013 to 2015. Overall, the 2022 water year ended with statewide precipitation at 76% percent of the average and statewide reservoir storage at 69% of the average. At the start of 2022, the drought covered 99.3% of California. The drought area expanded to cover the entire state during the spring and, despite heavy precipitation in December, ended the year at 97.9% coverage.
- The CVP was built primarily to integrate California's water ways to protect against crippling water shortages and hazardous floods; it also produces hydroelectric power and provides navigation, recreation, and water quality benefits. The CVP is the largest single source of irrigation water in California. 2022 marked the second successive year of 0% water allocations to the Authority's Participants. CVP hydroelectric generation in 2022 was only 54% of the current 10-year average. However, because power allocation priorities go to station service, First Preference Customers, balancing authority needs, and Project Use, the remaining Base Resource hydroelectric generation available for the Authority's allocation was only 33% of the current 10-year average.



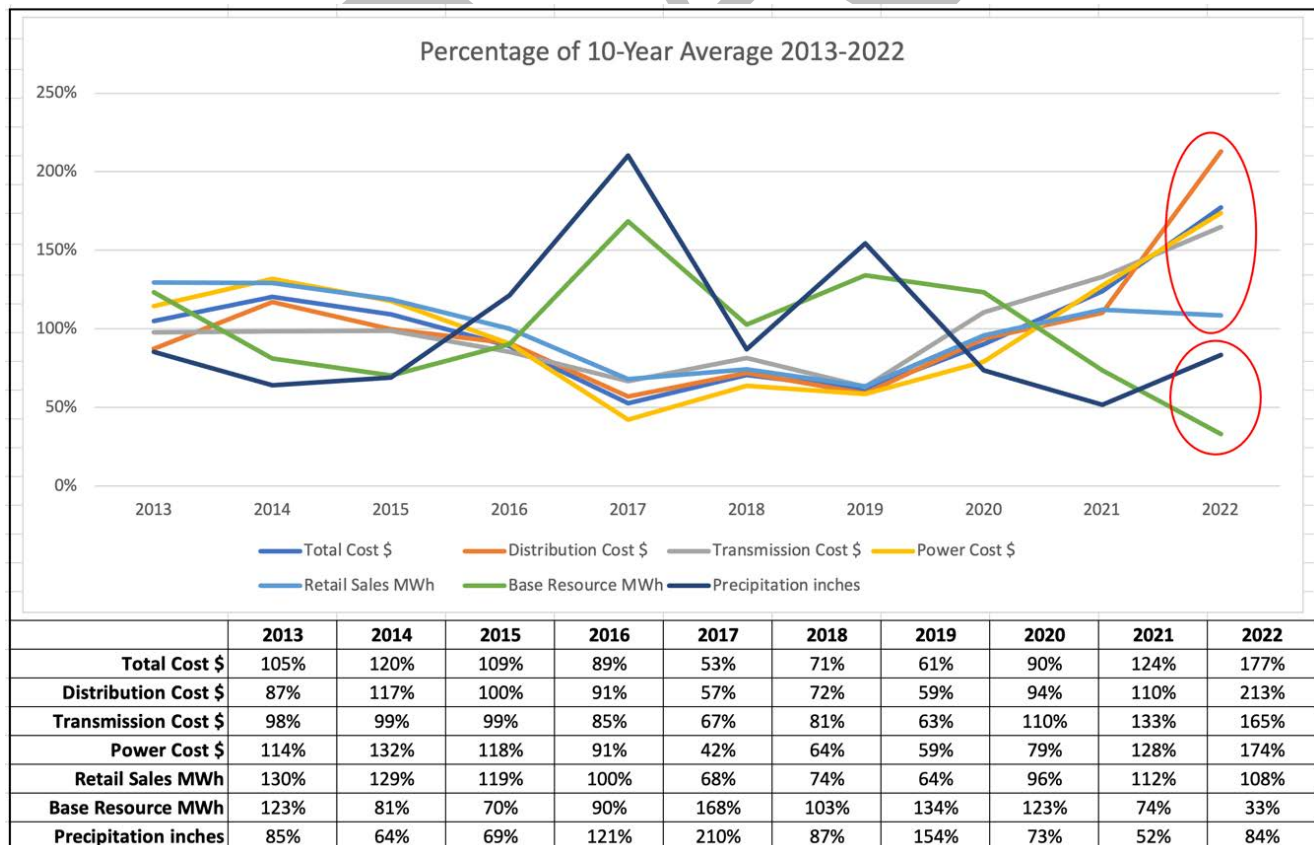
- During 2022, energy prices in the West Coast experienced unusually high peaks which extended above normal pricing. In June 2022, natural gas reserves in the United States and especially in the West Coast, were low. Between 2019 and 2022, five crude oil refineries were closed in the United States. These closures were caused by limited supplies and shipping constraints from COVID shutdowns that were further exacerbated by the fact that the federal Jones Act prevented shipping fuels between certain ports.

Management's Discussion and Analysis

- In September, California experienced a two-week heat wave with multiple records being set. All-time high temperatures ranging into the mid-110s Fahrenheit were recorded in many areas served by Project Participants. Power prices in September 2022 more than doubled those recorded in September 2021. The extremes were aggravated even more when cold weather and winter storms in the Western Pacific regions led to record-high electricity prices in December. Western natural gas prices spiked due to extensive December storms, low natural gas inventory, reduced hydro-electric supplies from the multi-year drought, and the inability to receive coal deliveries. Power prices in December 2022 more than quadrupled those recorded in December 2021.

Impacts and Accomplishments in 2022

During calendar year 2022, the Authority delivered to the Project Participants 474,778,459 kWh, compared to 2021 deliveries of 490,504,585 kWh. The differences in deliveries to individual Project Participants varied greatly between the two successive years. The Authority's two largest customers provide a glaring example whereby the Westland Water District increased deliveries by 16,623,457 kWh (8%) and the Arvin-Edison Water Storage District reduced deliveries by 22,465,615 kWh (16%). The Authority's northern most Participants were hit the hardest by the drought and water allocation curtailments. Accordingly, power deliveries were significantly reduced in 2022 for Reclamation District 108 ("RD 108" by 42%), Glenn-Colusa Irrigation District ("GCID" by 73%) and the combined Princeton-Codora-Glenn Irrigation District and Provident Irrigation District ("PPID" by 96%). The combination of the environmental and economic externalities described above together with the wide latitude of 2022 deliveries had a compounding effect of high and disparate energy rates between the Authority's Participants.



Management's Discussion and Analysis

Each Project Participant's cost of power is unique and may vary materially based on: (1) load shape throughout the year; (2) unique transmission and distribution situations; (3) the amount of CVP allocation and renewable energy generation procured to serve its load throughout the year; (4) its participation in special projects involving long-term contracts for renewable energy and/or Renewable Energy Certificates ("RECs"); and (5) a voluntary selection to serve its load solely with carbon-free power resources. The average composite cost of power delivered to all Project Participants in 2022 was calculated to be approximately 16.35 cents/kWh. The range in the costs of delivered power was approximately 11.51 cents/kWh to 19.00 cents/kWh, not including the three northernmost Participants. The significantly reduced power deliveries combined with fixed charges for those three Participants resulted in exacerbated rate increases for GCID (21.02 cents/kWh), RD 108 (24.56 cents/kWh), and PPID (1.68 *dollars*/kWh).

In the face of the 2022 extremes, the Board, together with the General Manager, Operations Manager, and key consultants, successfully accomplished the following:

- Evaluated available technologies including energy storage, distributed solar generation, microgrid systems, and in-canal hydroelectric generators.
- Adopted Resolutions 22-01-01 and 22-02-02 extending the authorization to hold publicly accessible Board meetings by teleconference and, thereby, continued normal operations during the restrictions put in place by federal, state and local governments in response to the COVID pandemic.
- Adopted Resolution 22-02-03 approving certain additional modifications to Exhibit D of the Risk Management Policy (Transaction Authority Policy) to authorize inter-scheduling coordinator ("SC") trades which is defined as an energy quantity traded from one SC to another SC for a specific hour and location.
- Scheduled loads and resources pursuant to its Scheduling Coordinating Agreement with the CAISO utilizing ACES as its scheduling agent and settled such schedules with the CAISO and all wholesale power suppliers.
- Maintained credit and appropriate financial agreements with WAPA, the CAISO, and other wholesale power suppliers.
- Continued to participate in the Lodi Energy Center Project pursuant to the Authority's 2.667% interest in the efficient natural gas-fired combined cycle power plant project.
- Continued to participate in the long-term procurement of renewable resources through its: (a) 13.333% participation in the 75 MW Astoria Solar photovoltaic generation project located in Kern County; (b) 55% participation in the 20 MW Whitney Point Solar photovoltaic generation project located near Fresno, California; (c) 100% participation in the solar facilities at the Penitencia Water Treatment Plant ("WTP"), Santa Teresa WTP, and Santa Clara Valley Water District administrative facility; and (d) 100% ownership interest in the Sonoma WTP solar facility.
- Began its participation in the 300 MW Slate Solar and Storage photovoltaic generation project located in Kings County, with a 26 MW share of the solar output and 10 MW of installed battery energy storage.
- Continued its participation with Johnston Farms, FLP, and Moore Farms, LLC, for the long-term purchase of Portfolio Content Category 3 RECs.

Management's Discussion and Analysis

- Continued participation in the California Air Resources Board (“CARB”) Cap-and-Trade Program including the auction for greenhouse gas allowances (“Allowances”). Annually, the Authority is allocated Allowances from CARB which must then be consigned to one or more of the auctions in the same vintage year for which the Allowances were received. The auction revenue received by the Authority is used exclusively to benefit the Project Participants in a manner consistent with California law. Furthermore, the Authority’s participation in the LEC requires that the Authority procure sufficient Allowances for meeting its representative share of the LEC’s Cap-and-Trade Program compliance obligation and transfer those Allowances to the LEC’s operator.
- Adopted Resolutions 22-04-06 and 22-07-11 to implement rate relief during the 2022 drought year by reinstating the PWRPA Summer Reserve Policy from 2021 and approving new drought impact funding mechanisms using the P3 Policy and Cap-and-Trade Allowance Revenue Utilization Policy.
- Adopted Resolution 20-07-10 approving the *2021 Annual Reconciliation Statement and Related Documentation Authorizing the Collection of the Total Refund Balances and Disbursements*.
- Adopted Resolutions 22-07-12 and 22-10-18 approving the *2021 Power Source Disclosure and Power Content Labels* which included a Standard Water Portfolio having a GHG Emissions Intensity of 646 pounds CO_{2e} per MWh and a Zero Carbon Water Portfolio having a GHG Emissions Intensity of 0 pounds CO_{2e} per MWh.
- Continued to implement pro-forma electricity rates having rate components contributing to a Renewable Power fund in amounts sufficient to cover current compliance period RPS obligations.
- Adopted Resolution 22-07-13 approving a rate increase due to impacts resulting from the extreme drought which included increased retail loads to customers, large increases in wholesale power costs, and the reduction of energy from PWRPA’s Base Resource energy portfolio that decreased by 50% from the original forecast.
- Adopted Resolution 22-07-15 updating the *Wildfire Mitigation Plan* for the Authority’s distribution facilities in accordance with Public Utilities Code Section 8387.
- In August, California declared a state of emergency and the California Energy Commission (“CEC”) implemented the Demand Side Grid Support (“DSGS”) Program which provided financial incentives to reduce electricity loads during extreme events. The program was open from August to October 31 of 2022, but only had curtailment events from August 31 to September 9, 2022. Four of the Authority’s Participants voluntarily curtailed 296 MWhs and received a payment of \$665,767 (\$2,250 per MWh) from the CEC. In addition to the CEC incentive payment, the Participants received the associated cost or savings based on the day-ahead (“DA”) and real-time (“RT”) prices in the CAISO. This is because PWRPA schedules forecasted load on the DA market and the imbalance (difference in the DA forecast and the actual meter) is priced in RT.
- Met all its financial and operational obligations throughout its eighteenth year of operation.
- Adopted Resolution 22-12-19 Approving the *Annual Budget and Associated Pro Forma Rate Schedule for 2023*.

Management's Discussion and Analysis

Financial Highlights

This marked the nineteenth year of existence for the Authority and the eighteenth year in which it operated as a publicly owned electric utility. Power demand in 2022 was approximately 3% lower as compared to that of 2021 primarily due to significant pumping curtailments by several Project Participants resulting from a third year of significantly drier hydrology and 0% water allocations. The Authority's average power cost to the Project Participants for 2022 was approximately 16.35 cents/kWh as compared to 11.08 cents/kWh in 2021.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditors' report, the basic financial statements of the Authority and selected additional information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, and to determine its profitability and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Authority

In summation of the actions taken by the Authority during 2022, one must consider if the Authority, as a whole, is better off or worse off? The Statement of Net Position, and the Statement of Revenues, Expenses, and Change in Net Position reports information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and the changes in it. One can think of the Authority's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Overtime, increases and decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, hydrological conditions, and new or changed governmental regulation also need to be considered.

Management's Discussion and Analysis

Table A
Condensed Statements of Net Position
December 31, 2022 and 2021

	<i>2022</i>	<i>2021</i>	<i>Dollar Change</i>	<i>% Change</i>	<i>2020</i>	<i>Dollar Change</i>	<i>% Change</i>
Assets							
Current assets	\$ 18,220,095	\$ 19,660,865	\$(1,440,770)	(7.3%)	\$ 19,206,232	\$ 454,633	2.4%
Other assets	996	996	-	0.0%	996	-	0.0%
Restricted assets	9,167,132	6,053,094	3,114,038	51.4%	4,214,509	1,838,585	43.6%
Capital assets	283,945	295,776	(11,831)	(4.0%)	307,607	(11,831)	(3.8%)
	<u>\$27,672,168</u>	<u>\$26,010,731</u>	<u>\$1,661,437</u>	6.4%	<u>\$23,729,344</u>	<u>2,281,387</u>	9.6%
Liabilities							
Current liabilities	\$ 17,307,766	\$ 11,844,468	\$ 5,463,298	46.1%	\$ 10,674,655	1,169,813	11.0%
Net Position							
Invested in capital assets	283,945	295,776	(11,831)	(4.0%)	307,607	(11,831)	(3.8%)
Unrestricted	10,080,457	13,870,487	(3,790,030)	(27.3%)	12,747,082	1,123,405	8.8%
	<u>\$ 27,672,168</u>	<u>\$ 26,010,731</u>	<u>\$ 1,661,437</u>	6.4%	<u>\$ 23,729,344</u>	<u>2,281,387</u>	9.6%

2021 to 2022

As can be seen from Table A, the Authority's Total Assets increased \$1.7 million or 6.4% in 2022 compared to 2021. This change is due to an increase in Restricted Assets of \$3.1 million due to a rise in funds available to participants in the Cap-and-Trade Program and Public Purpose Program of \$2.5 million and \$0.6 million respectively, an increase in Deposits of \$1.7 million, and an increase in Accounts Receivable of \$0.1, offset by a decrease in Cash and Cash Equivalents of \$3.2 million.

Also, as can be seen in Table A, the Authority's Current Liabilities increased by approximately \$5.5 million or 46.1% in 2022 compared to 2021. This change is due to an increase in Accounts payable of \$2.3 million, an increase in funds available to participants in the Cap-and-Trade Program Funds of \$2.5 million, and an increase in funds available in the Public Purpose Program payable of \$0.6 million.

2020 to 2021

As can be seen from Table A, the Authority's total assets increased \$2.3 million or 9.6% in 2021 compared to 2020. This change is primarily due to an increase in current assets of \$0.5 million as a result of increases in accounts receivable, of \$0.9 million, Customer Deposits of \$0.4 million, offset by a decrease in Cash and Cash Equivalents of \$0.8 million and an increase in Restricted Assets of \$1.8 million due to increases in the Funds available in the Cap-and-Trade Program and Public Purpose Program of \$0.9 million and \$0.9 million respectively.

Also, as can be seen in Table A, the Authority's current liabilities increased \$1.2 million in 2021 compared to 2020. This change is due to an increase in the Public Purpose Program payable of \$0.9 million, Cap-and-Trade Program Fund payable of \$0.9 million offset by a decrease in accounts payable of \$0.7 million.

Management's Discussion and Analysis

Table B
Condensed Statements of Revenues, Expenses and Changes in Net Position
For Years Ended December 31, 2022 and 2021

	<i>2022</i>	<i>2021</i>	<i>Dollar Change</i>	<i>% Change</i>	<i>2020</i>	<i>Dollar Change</i>	<i>% Change</i>
Operating revenues	\$77,930,011	\$58,387,615	\$19,542,396	33.5%	\$41,846,781	\$16,540,834	39.5%
Operating expenses	81,965,794	57,342,266	24,623,528	42.9%	42,654,629	14,687,637	34.4%
Operating income (loss)	(4,035,783)	1,045,349	(5,081,132)	(486.1%)	(807,848)	1,853,197	-229.4%
Nonoperating income	233,922	66,225	167,697	253.2%	175,667	(109,442)	-62.3%
Change in net position	(3,801,861)	1,111,574	(4,913,435)	(442.0%)	(632,181)	1,743,755	275.8%
Net position, beginning of year	14,166,263	13,054,689	1,111,574	8.5%	13,686,870	(632,181)	-4.6%
Net position, end of year	<u>\$10,364,402</u>	<u>\$14,166,263</u>	<u>\$ (3,801,861)</u>	(26.8%)	<u>\$13,054,689</u>	<u>\$ 1,111,574</u>	8.5%

2021 to 2022

As can be seen from Table B, the Authority's change in net position decreased by \$4.9 million or 442.0% in 2022 compared to 2021. This change is due to the net effect of an increase in Operating Revenue of \$19.5 million for the year derived from power billings from Project Participants and the increase in Operating Expenses of \$24.6 million.

Operating Revenues increased \$19.5 million in 2022 as compared to 2021 due to an increase in the average composite rate of delivered power of 5.29 cents/kWh offset by a decrease in power usage of approximately 15,726,000 kWh or 3.3%.

The Authority's Operating Expenses increased \$24.6 million in 2022 as compared to 2021, this increase is due to significant increases in the cost of power and for the distribution and transmission of power to the Authority's Participants. Total power costs increased \$11.7 million in 2022 compared to 2021, this is a result of increases in Supplemental Power of \$10.6 million, an increase in the cost of the Lodi Energy Center of \$.8 million, and an increase in Renewable Energy of \$1.2 million, offset by a decrease in Base Resource Power of \$.9 million. The total cost to deliver power to the Authority's Participants increased \$11.9 million in 2022 as compared to 2021. This is due to increases in the amounts paid to PG&E and CAISO for the transmission and distribution of power in the amount of \$10.1 million and \$1.7 million, respectively, in 2022 as compared to 2021. In addition, Prior Year Power Cost Adjustments increased \$1.2 million as compared to 2021 and General and Administrative cost decreased \$0.2 million.

2020 to 2021

As can be seen from Table B, the Authority's change in net position increased \$1.7 million or 275.8% in 2021 compared to 2020. This change is due to the net effect of an increase in operating revenue of \$16.5 million for the year derived from power billings from the Project Participants offset by the increase in operating expenses of \$14.7 million.

Operating revenue increased by \$16.5 million in 2021 as compared to 2020 due to an increase in power usage of approximately 70,761,415 kWh or 17% and an increase in the average composite cost of delivered power of \$1.63 cents/kWh or 17%.

Management's Discussion and Analysis

The Authority's increase in operating expenses of \$14.7 million is primarily due to higher demands for power in 2021 compared to 2020 as a result of dry hydrological conditions and increased costs that took effect in June 2021 from the newly adopted PG&E Wholesale Distribution Tariff (see Note 9). The drier conditions resulted in increases in supplemental power of \$11 million and transmission and distribution of \$2.9 million. In addition, prior year power cost adjustments decreased \$0.6 million primarily as a result of an increase in prior year refunds for the 2020 annual reconciliation being much higher than those made in 2020 for the 2019 annual reconciliation. There was also a \$0.2 million increase in various operating costs.

Table C
Condensed Budget to Actual Comparison
December 31, 2022

	2022				2021			
	<i>Actual</i>	<i>Budget</i>	<i>Dollar Change</i>	<i>% Change</i>	<i>Actual</i>	<i>Budget</i>	<i>Dollar Change</i>	<i>% Change</i>
Operating revenue	\$ 77,930,011	\$ 64,640,687	\$ 13,289,324	20.6%	\$ 58,387,615	\$ 60,975,033	\$ (2,587,418)	(4.2%)
Operating expenses	(81,965,794)	(64,640,687)	(17,325,107)	26.8%	(57,342,266)	(60,975,033)	3,632,767	(6.0%)
Other income	233,922	-	233,922	100.0%	66,225	-	66,225	100.0%
Change in position	<u>\$ (3,801,861)</u>	<u>\$ -</u>	<u>\$ (3,801,861)</u>	<u>(100.0%)</u>	<u>\$ 1,111,574</u>	<u>\$ -</u>	<u>\$ 1,111,574</u>	<u>(100.0%)</u>

Budgetary Highlights

2021 to 2022

The Authority operated under a formal budget for the year ending on December 31, 2022. The approved 2022 budget included pro forma rates to charge the Project Participants for their individual power use. These rates were developed using an average condition water year scenario, which included an assumption that average hydropower would be available during the year.

During 2022, the Authority had interest income of \$0.2 million and \$3.6 million in prior period expenses included in Table C in operating expenses. These items were not included in the 2022 budget.

2020 to 2021

The Authority operated under a formal budget for the year ending on December 31, 2021. The approved 2021 budget included pro forma rates to charge the Project Participants for their individual power use. These rates were developed using an average condition water year scenario, which included an assumption that average hydropower would be available during the year.

During 2021, the Authority had interest income of \$.04 million and \$2.4 million in prior period expenses included in operating expenses in Table C. These items were not included in the 2021 budget.

Capital Asset

During 2022 and 2021 the Authority did not purchase or receive capital assets.

Management's Discussion and Analysis

Debt Service Requirements

No debt was outstanding as of December 31, 2022 and 2021.

Contacting the Authority's Management

This annual financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Power and Water Resources Pooling Authority, P. O. Box 160, Arvin, CA 93203.

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Power and Water Resources Pooling Authority

**Statements of Net Position
December 31, 2022 and 2021**

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 9,516,707	\$ 12,807,927
Accounts receivable, customers	3,518,393	3,720,446
Accounts receivable, miscellaneous	326,030	14,859
Deposits	4,704,792	3,025,774
Other current assets	154,173	91,859
	<u>18,220,095</u>	<u>19,660,865</u>
Noncurrent Assets		
Capital assets, at cost	414,087	414,087
Less accumulated depreciation	(130,142)	(118,311)
	<u>283,945</u>	<u>295,776</u>
Other Assets		
Green House Gas allowances	996	996
Restricted receivable	84,516	106,056
Restricted cash and cash equivalents	9,082,616	5,947,038
	<u>9,168,128</u>	<u>6,054,090</u>
	<u>\$ 27,672,168</u>	<u>\$ 26,010,731</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 4,795,368	\$ 2,459,791
Funds on deposit, Project Participants	3,345,267	3,331,584
Public Purpose Program Fund	3,060,025	2,426,139
Cap-and-Trade Program Fund	6,107,106	3,626,954
	<u>17,307,766</u>	<u>11,844,468</u>
Net Position		
Net investment in capital assets	283,945	295,776
Unrestricted	10,080,457	13,870,487
	<u>10,364,402</u>	<u>14,166,263</u>
	<u>\$ 27,672,168</u>	<u>\$ 26,010,731</u>

See Notes to Financial Statements.

Power and Water Resources Pooling Authority

**Statements of Revenues, Expenses, and Changes in Net Position
For Years Ended December 31, 2022 and 2021**

Revenues:	<u>2022</u>	<u>2021</u>
Service, customer and general and administrative charges	\$ 77,930,011	\$ 58,387,615
 Operating expenses:		
Power - base resource	5,550,399	6,430,959
Power - supplemental	30,567,189	19,991,302
Power - LEC	2,182,915	1,382,173
Power - renewable energy	2,945,503	1,726,336
Power - surcharges	142,686	147,918
Transmission and distribution	32,480,566	22,393,316
CAISO	2,011,048	293,790
Scheduling and coordinating	496,349	430,378
Metering	637,216	645,310
Prior year power cost adjustments	3,631,064	2,416,387
General and administrative	1,320,859	1,484,397
	<u>81,965,794</u>	<u>57,342,266</u>
 Operating income (loss)	 <u>(4,035,783)</u>	 <u>1,045,349</u>
 Nonoperating income:		
Interest income	224,244	44,594
Other income	9,678	21,631
	<u>233,922</u>	<u>66,225</u>
 Change in net position	 (3,801,861)	 1,111,574
 Net position, beginning of year	 <u>14,166,263</u>	 <u>13,054,689</u>
 Net position, end of year	 <u>\$ 10,364,402</u>	 <u>\$ 14,166,263</u>

See Notes to Financial Statements.

Power and Water Resources Pooling Authority

*Statements of Cash Flows
For Years Ended December 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<i>Cash flows from operating activities:</i>		
Cash receipts from Project Participants	\$ 79,589,079	\$ 60,545,781
Cash payments to Project Participants	(1,939,584)	(3,191,761)
Cash payments to other suppliers for goods and services	(77,968,349)	(56,384,246)
	<u>(318,854)</u>	<u>969,774</u>
<i>Cash flows from investing activities:</i>		
Interest income	<u>163,212</u>	<u>57,653</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(155,642)	1,027,427
<i>Cash and cash equivalents at beginning of year</i>	<u>18,754,965</u>	<u>17,727,538</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 18,599,323</u>	<u>\$ 18,754,965</u>

See Notes to Financial Statements.

	<u>2022</u>	<u>2021</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>		
Operating income (loss)	\$ (4,035,783)	\$ 1,045,349
<i>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</i>		
Depreciation	11,831	11,831
Other income	9,678	21,631
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	(109,118)	(809,964)
Deposits and other assets	(1,658,760)	(468,886)
Accounts payable	2,335,577	(705,731)
Other liabilities	3,127,721	1,875,544
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	<u>\$ (318,854)</u>	<u>\$ 969,774</u>
<i>Supplemental disclosures of cash flow information:</i>		
<i>Reconciliation of cash and cash equivalents:</i>		
Cash and cash equivalents	\$ 9,516,707	\$ 12,807,927
Restricted cash and cash equivalents	9,082,616	5,947,038
	<u> </u>	<u> </u>
	<u>\$ 18,599,323</u>	<u>\$ 18,754,965</u>

Power and Water Resources Pooling Authority

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies

The reporting entity:

The Authority was established by a Joint Powers Agreement, dated January 22, 2004, under the California Joint Exercise of Powers Act. The Authority is a public agency comprised of irrigation districts. The Joint Powers Agreement provides that the Authority shall have the power to study, promote, develop, conduct, design, finance, acquire, construct, and/or operate water and energy-related projects and programs. In furtherance of these rights, the Authority operates as a publicly owned electric utility and provides retail electric service to the Project Participants.

Project Participants:

As of December 31, 2022 and 2021, the Authority's Project Participants and their respective voting percentages are as follows:

	<u>Effective April 1, 2022</u>	<u>Effective April 1, 2021</u>
Arvin-Edison Water Storage District	18.6674%	18.3023%
Banta-Carbona Irrigation District	5.9784	5.9577
Cawelo Water District	5.6750	5.8899
Glenn-Colusa Irrigation District	5.1376	5.2115
James Irrigation District	3.9954	3.9781
Lower Tule River Irrigation District	4.9609	4.9932
Princeton-Codora-Glenn Irrigation District and Provident Irrigation District	4.0427	4.1153
Reclamation District 108	4.2128	4.2801
Santa Clara Valley Water District	6.6395	6.7711
Sonoma County Water Agency	8.5751	8.6295
Byron Bethany Irrigation District	3.9387	3.9450
West Stanislaus Irrigation District	5.7436	5.7898
Westlands Water District	18.0267	17.8926
Zone 7 Water Agency	4.4065	4.2440

Management and Board of Directors:

The Authority's governing body is its fourteen member Board of Directors, which annually elects a Chairman and Vice-Chairman. The Joint Powers Agreement directs that voting is based on a formula reflecting, among other things, each Project Participant's annual energy usage.

Basis of accounting and financial reporting:

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, in conformity with the uniform system of accounts prescribed for water districts by the Controller of the State of California. Revenues are recognized when earned and expenses are recognized when incurred regardless of the timing of cash payments or receipts.

Notes to Financial Statements

When the Authority has both unrestricted and restricted resources available for Authority purposes, it is the Authority's practice to first expend restricted resources, subsequently utilizing unrestricted resources as needed.

The Authority utilizes a net position presentation in accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position*. Net position is categorized as invested in capital assets, net of related debt, restricted components of net position and unrestricted components of net position. These categories are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and the deferred outflow of advanced refunding of bonds, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted components of net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted components of net position - This component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position

Fund accounting:

The Authority utilizes a proprietary enterprise fund category to account for its activities. Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Other items not properly included among operating revenues are reported as nonoperating revenues. All assets and liabilities associated with an enterprise fund's activities are included on its statements of net position.

Notes to Financial Statements

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purpose of reporting cash flows, the Authority considers cash equivalents to be all highly liquid debt instruments purchased with an original maturity of three months or less. At December 31, 2022 and 2021, cash and cash equivalents include cash on hand and amounts deposited with banks and the State Treasurer's office.

The Authority invests any excess funds not needed for immediate needs into State of California managed Local Agency Investment Fund ("LAIF"), which is a permitted investment by both State law and the Authority's investment policy. Created by state statute, the LAIF is a component of a pooled money program that is administered by the State Treasurer's Office. The fund has regulatory oversight from the Local Investment Advisory Board, which is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. As the LAIF does not make share-value adjustments due to immaterial differences between fair value and cost, the Authority's cost basis in the fund is reflected in cash and cash equivalents on the statements of net position as of December 31, 2022 and 2021.

Cash flows:

GASB Statement No. 9, *Reporting of Cash Flows for Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, states for purposes of preparing the statements of cash flows, all transactions not classified as capital and related financing activities or investing activities are classified as operating activities. The adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities includes other income and expenses.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Authority considers accounts receivable to be fully collectable. Based on the credit history with customers having outstanding balances and current relationships with them, it has concluded that bad debt on balances outstanding at year-end is not necessary.

Concentration of credit risk:

Credit is extended, in the form of accounts receivable, to the Project Participants who are located throughout northern and central California.

Notes to Financial Statements

Capital assets:

Capital assets are defined by the District as assets with an individual cost of more than \$5,000 and an estimated useful life greater than two years. Depreciation is computed using the straight-line method over the estimated useful life of 35 years.

Maintenance and repairs of property, plant and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated amortization are eliminated from the accounts and gain or loss is included in operations.

Revenue recognition:

Income is derived from the levy of power service charges as determined annually by the Board of Directors. Revenues from power sales are recognized as power is delivered.

Derivative instruments and hedging activities:

The Authority enters into contracts for the purchase and sale of electricity for use in the Project Participants' business operations. GASB requires the Authority to evaluate these contracts to determine whether the contracts are derivatives. Certain contracts that literally meet the definition of a derivative may be exempt as normal purchases or normal sales. Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases and normal sales are documented and exempted from the accounting and reporting requirements of GASB.

The Authority's policy is to fulfill all derivative and hedging contracts by either taking delivery of power from a third party or by providing power to a third party as provided for in each contract. The Authority's policy does not authorize the use of derivatives or hedging instruments for speculative purposes such as hedging electricity pricing fluctuations beyond the Authority's estimated capacity to receive or deliver power.

Normal purchases and normal sales contracts are accounted for as executory contracts as required under generally accepted accounting principles. As of December 31, 2022 and 2021, the Authority had no contracts accounted for as derivatives.

Note 2. Cash and Investments

Cash and investments as of December 31, 2022 and 2021 are classified in the accompanying financial statements as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,516,707	\$ 12,807,927
Restricted cash and cash equivalents	9,082,616	5,947,038
	<u>\$ 18,599,323</u>	<u>\$ 18,754,965</u>

Notes to Financial Statements

Cash and investments as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Deposits with banks	\$ 5,465,469	\$ 3,005,020
Deposits with State of California LAIF	13,133,854	15,749,945
	\$ 18,599,323	\$ 18,754,965

Investments authorized by the Authority's investment policy

The Authority's investment policy only authorizes investment in the local government investment pool administered by the State of California Local Agency Investment Fund and obligations of the U.S. Treasury as authorized by the Government Code. Other types of investments that are authorized by the Government Code can be added as an amendment to the approved policy. The Authority's policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk or foreign currency risk.

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value of changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment as of December 31, 2022:

Investments	Reported Amount	Maturity Date
Local Agency Investment Fund	\$ 13,133,854	N/A

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Local Agency Investment Fund does not have a rating provided by a nationally recognized statistical rating organization.

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than the external investment pool) that represent 5% or more of total investments at December 31, 2022 and 2021.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another

Notes to Financial Statements

party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At December 31, 2022 and 2021, the Authority had no risk associated with deposits.

Note 3. Capital Assets

In 2011, the Authority entered into three Distribution Facilities Agreements with Project Participants (Glenn-Colusa Irrigation District, effective March 2, 2011; Reclamation District 108, effective March 30, 2011 and Santa Clara Valley Water District, effective August 23, 2011). Under the Distribution Facilities Agreements, the Project Participants are responsible for installing electric distribution facilities that will be used by the Authority to provide electric service to the Project Participants' respective new electric loads. Upon inspection and acceptance by the Authority, the electric distribution facilities were transferred to and became the property of the Authority. The Project Participants are responsible for all costs related to the installation, operation, maintenance and replacement of the electric distribution facilities. In 2011, Glenn-Colusa Irrigation District transferred \$290,616 and Reclamation District 108 transferred \$123,471 of Distribution facilities to the Authority. As of December 31, 2022 and 2021, capital assets balance is \$414,087.

Note 4. Restricted Assets

Public Purpose Program (P3):

The restricted balance for the P3 Program, as of December 31, 2022 and 2021 was \$3,060,025 and \$2,426,139, respectively, included in restricted cash and cash equivalents and restricted receivable and an equivalent liability balance. The restricted assets are required by Public Utilities Code §385(a) which states that each publicly-owned electric utility shall establish a non-bypassable, usage based charge on local distribution service of not less than the lowest expenditure level of 1996 from the three largest electrical corporations in California on a percent of revenue basis. The Public Utilities Code requires that the collected charges shall be used to fund investments in certain designated projects including energy efficiency, energy conservation, and renewable energy. In September 2006, the Authority's Board adopted Public Purpose Program (P3) Guidelines establishing that each Project Participant shall contribute an amount equal to 2.85% times its amount invoiced for energy delivered based upon the current pro-forma rates in effect for the period. The P3 Guidelines require the collected funds to be placed in an interest-bearing account whereby the Board Treasurer shall track the deposits, withdrawals, and balance attributable to each Project Participant. Any Project Participant may propose a P3

Notes to Financial Statements

project and request disbursement from that Project Participant's designated P3 funds. Every conforming P3 project, as determined by the Authority's Board, shall receive funding from the requesting Project Participant's available designated P3 funds. Not less than once a year, coinciding with the annual cost reconciliation process and the Authority's audit of its financial performance, an internal audit of the P3 Account shall be undertaken to assess conformance with the Public Utilities Code and P3 Guidelines.

Cap-and-Trade Program:

The California Cap-and-Trade Program ("Program") became effective on January 1, 2012. The Program was designed to provide entities subject to its regulation the flexibility to seek out and implement the lowest-cost options to reduce greenhouse gas ("GHG") emissions. As part of the Cap-and-Trade Program, the California Air Resources Board ("CARB") created GHG allowances ("Allowances") to represent the right to emit one metric ton of greenhouse gases. Each year, CARB allocates a pre-determined amount of "free" Allowances to electric distribution utilities, such as the Authority, while the remainder of Allowances are made available for purchase in quarterly auctions ("Auction"). Pursuant to the Program regulations, the Authority may not directly sell the Allowances to other entities but may only consign the Allowances for sale in one or more of ARB's quarterly auctions. The Auction revenue that the Authority receives from the sale of free Allowances shall be used solely for the benefit of Authority ratepayers in a manner consistent with California law. The restricted balance of the Cap-and-Trade Program, as of December 31, 2022 and 2021 was \$6,107,106 and \$3,626,954, respectively, included in restricted cash and cash equivalents, restricted receivable and an equivalent liability.

Note 5. Board Designated Reserves

The Board Designated Reserves are presented as internally constrained Unrestricted Net Assets of the Authority to be used for their respective purposes. The Board Designated Reserves at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Energy	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>

Note 6. Related Party Transactions

The Authority has engaged the services of the Arvin-Edison Water Storage District (AEWSD), a Project Participant, to provide treasurer and accounting services. The Authority paid AEWSD \$82,673 and \$94,148 for services for the years ended December 31, 2022 and 2021, respectively. The Authority paid \$3,210 and \$2,333 to AEWSD for office and administrative expenses for the years ended December 31, 2022 and 2021, respectively.

Revenues for the years ended December 31, 2022 and 2021 of \$77,930,011 and \$58,387,615, respectively, were generated by the payments made by the Authority's Project Participants. Total accounts receivable of \$3,518,393 and \$3,720,446 at December 31, 2022 and 2021, respectively, were due from the Authority's Project Participants.

Notes to Financial Statements

Note 7. *Prior Year Power Cost Adjustments*

On or before July 1 of each succeeding year, the Authority provides the Project Participants with a final accounting of power charges and other operating expenses for the previous calendar year. Adjustments of prior year power costs resulted in a net decrease to income for the years ended December 31, 2022 and 2021. The adjustments consist of the following items:

	<u>2022</u>	<u>2021</u>
Reconciliation refund to participants	\$ 4,036,910	\$ 2,502,379
Miscellaneous prior year	(405,846)	(85,992)
	<u>\$ 3,631,064</u>	<u>\$ 2,416,387</u>

Note 8. *Commitments*

The Authority contracted with WAPA in August 2004 to receive a percentage of the CVP's power resources available for marketing on an hourly basis. WAPA provides a percentage of the CVP power resources consistent with WAPA's post-2004 Power Marketing Plan. The contract for service is for January 1, 2005 through December 31, 2024.

The Authority has entered into various other power purchase agreements with wholesale power suppliers through which the Authority buys power that is supplemental to power received under the Authority's contract with WAPA. The Authority has access to various third-party marketers through its Edison Electric Institute and Western Systems Power Pool agreements. In 2018, the Authority had fixed power purchase agreements and capacity contracts with NextEra Energy Marketing.

Subject to certain early termination rights, these agreements specify minimum purchase obligations. The Authority is obligated to purchase this supplemental power at contract rates and may be subject to margin calls from these third-party suppliers if the Authority were to violate the credit terms of these contracts. The Authority has reciprocal rights to margin its suppliers in the unlikely event of their financial distress.

In 2008, the Authority executed a Second Phase Agreement with the Northern California Power Agency ("NCPA") to participate in the construction and operation of the Lodi Energy Center ("LEC"). The Authority has a 2.667% subscription (approximately 7 MW) of the 302 megawatt ("MW") natural gas-fired combined cycle power generation facility. The Commercial Operation Date ("COD") was declared in November 2012.

Effective July 23, 2014, the Authority entered into a power purchase agreement ("PPA") with RE Astoria 2, LLC to purchase certain renewable energy and associated environmental attributes from a 75 MW photovoltaic solar facility being constructed in Kern County. The COD starting the 20-year agreement term occurred on December 5, 2016.

Notes to Financial Statements

Effective April 17, 2015, the Authority entered into a 20-year PPA with Whitney Point Solar, LLC to purchase certain renewable energy and associated environmental attributes from a 20 MW photovoltaic solar facility constructed in Fresno County. The COD occurred on April 14, 2017.

Effective March 22, 2019, the Authority entered into a 20-year PPA with RE Slate 4, LLC to purchase certain renewable energy, capacity and associated environmental attributes from a 300 MW photovoltaic solar facility being constructed in Kings County. The agreement's Key Milestones include an expected construction start date no later than August 31, 2021, and an expected COD no later than December 31, 2021. Through a series of negotiations in 2020, the PPA was: (a) assigned to Slate 1, LLC; (b) amended to include a subscription for 10 MW of co-located battery energy storage; and (c) amended to extend the date on which the seller must begin paying delay damages to April 1, 2022 while ensuring that the Authority receives all RECs that would have otherwise been generated during the delay period. In June 2021, the First Amendment to the amended PPA was executed which incorporated certain operating restrictions for battery storage that were required before COD.

Before the Authority entered these long-term agreements, it had received executed rate agreements from the Authority's participating customers that will be allocated output from each respective solar facility. Each rate agreement obligates the participating customers on a "take-or-pay" basis for all costs associated with the Authority's generation entitlement share of facility output.

Gas supply agreements:

In 2011, the Authority entered into gas purchase enabling agreements with the State of California, Department of General Services and Shell. The "take-or-pay" agreements arrange for the acquisition of natural gas commodity and delivery for the production of electricity from the Authority's Generation Entitlement Share of the Lodi Energy Center. The Authority did not purchase gas in 2021, nor does it expect to utilize this enabling agreement in the foreseeable future.

Renewable Portfolio Standard (RPS):

In April 2011, Senate Bill X1 2, the California Renewable Energy Resources Act, was signed into law and set a Renewable Portfolio Standard (RPS) target for publicly owned electric utilities (POUs). The Authority's Board of Directors adopted policies for implementing the RPS requirements including establishing a renewable energy resources procurement plan. Accordingly, the Authority will procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy certificates (RECs), as a specified percentage of total kilowatt hours actually sold to the Authority's retail end use customers. On April 2, 2014, the Authority established an RPS Cost of Compliance Rule (Compliance Rule). Pursuant to the Compliance Rule the Authority assigns each Project Participant its respective RPS compliance obligation and cost, routinely evaluates the Authority's RPS position relative to the compliance target, sets rates to cover costs, and deposits collected amounts into the P3-RPS Compliance Account. In September 2018, Senate Bill 100 ("SB 100") was signed into law and made several substantive changes to the California publicly owned electric utilities including:

Notes to Financial Statements

(a) increasing the procurement target to 60% of retail sales by 2030; (b) permitting the banking of renewable resource contracts of any duration for use in future compliance periods; and (c) requiring that at least 65% of the RECs used in any compliance period are from either owned resources or contracts at least 10 years in duration. SB 100 provides for a reduction of an annual RPS requirement if, during a year within a compliance period, a POU receives more than 40 percent of its retail sales from the CVP's large hydroelectric generation. Lastly, SB 100 sets forth California's policy that eligible renewable energy resources and zero-carbon resources should supply 100% of all retail electricity sales to California end-use customers by December 2045.

Service agreements:

ACES provides power scheduling and coordinating services to the Authority. The agreement expires December 31, 2023. The Authority paid \$300,000 and \$420,000 to ACES for the years ended December 31, 2022 and 2021, respectively.

Future annual payments are as follows in equal monthly installments:

<u><i>Year Ending December 31,</i></u>	
2023	<u>\$ 300,000</u>

The Authority executed a Fixed Fee Agreement with Robertson-Bryan, Inc. ("RBI") to provide operations and management services for a one-year term beginning on January 16, 2021, which was extended through January 15, 2022 for a monthly amount of \$42,833 plus expenses. The agreement was extended through January 2023 for a monthly amount of \$48,583 plus expenses. The Authority paid \$793,273 and \$708,839 to RBI for these services during the years ended December 31, 2022 and 2021, respectively. In accordance with a third extension through January 15, 2024, the future annual payments for the year ending December 31, 2023, is \$612,150 plus expenses in equal monthly installments.

The Authority extended its Alternative Fee Agreement with Cameron-Daniel, P.C., to provide deputy general manager services (general manager and general counsel) for a term ending on October 31, 2025. The monthly fee of \$33,350, plus expenses, was increased to \$36,350, plus expenses, effective November 1, 2021. The Authority paid \$477,179 and \$480,346 for general manager services during the years ended December 31, 2022 and 2021, respectively.

Note 9. Litigation

In September 2020, the Authority intervened in FERC docket No. ER20-2878-000 through which PG&E sought to increase the rates paid by WAPA, PWRPA, and other entities for distribution service under the Wholesale Distribution Tariff ("WDT"). The Commission's Order, issued on November 13, 2020, accepted PG&E's filing that included a proposed formula rate, a substantially increased 2021 distribution revenue requirement ("DRR") and revisions to WDT service agreements with WAPA and PWRPA. In addition, the Commission preliminarily found that PG&E's rates may yield substantially excessive revenues and suspended the implementation effective date for 5 months until April 15, 2021. The matter was set for a trial-type evidentiary hearing, however, the Commission held the hearing in abeyance and appointed a settlement judge. Accordingly, the Parties

Notes to Financial Statements

resolved a substantial number of issues in two Partial Settlements as described below.

The First Partial Settlement deferred the effective date for rates initially filed in the proceeding and implemented new lower interim rates beginning June 1, 2021. On December 1, 2021, PG&E filed its first Annual Update for Rate Year 2022 revising the DRR, Distribution Rates, Cost of Ownership rates, and Customer Service Charges using the Formula Rate Model as revised pursuant to the First Partial Settlement.

The Second Partial Settlement was approved by the Commission on June 2, 2022, and resolved some, but not all, of the contested issues in the proceeding. Among other things, the Second Partial Settlement included an allocated DRR credit over the 4-year period of the WDT Formula Rate. The DRR credit is \$3.5 million in each of 2021 and 2022, \$2 million in 2023, and \$1 million in 2024. The Second Partial Settlement also allows extended periods of non-usage for agricultural delivery points which, to avoid termination, have the option of entering into a long-term agreement to pay a minimum monthly charge for each month of non-usage. On December 1, 2022, PG&E filed its first Annual Update for Rate Year 2023 revising the DRR, Distribution Rates, Cost of Ownership rates, and Customer Service Charges using the Formula Rate Model as revised pursuant to the Second Partial Settlement.

In late 2022, ER20-2878 was consolidated with a similar PG&E proceeding at FERC and the trial-type hearing is now continuing under docket ER22-619. The procedural schedule lists August 31, 2023, as the date for the Initial Decision.

Note 10. Contingencies

Self-insurance:

The Authority is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority. SDRMA bills each member a deposit premium at the beginning of each policy year, which is placed in a reserve fund to cover the self-insurance portion of any claim. Settlements and/or expenses related to claims during the year are charged against the reserve. If the balance of the reserve at the end of the year is deemed too low in relation to the amount of outstanding claims, the Authority is billed for additional premiums. When the claims are fully settled, any amounts remaining in the reserve are refunded to the Authority. During the current year, there were no significant reductions in coverage.

Supplementary Information

DRAFT

Power and Water Resources Pooling Authority

*Schedules of Revenues and Operating Expenses
For Years Ended December 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
Revenues:		
Service charges	\$ 77,930,011	\$ 58,387,615
Operating Expenses:		
Power:		
Power - base resource	\$ 4,485,527	\$ 4,870,816
Power - base restoration	1,064,872	1,560,143
Power - supplemental	30,567,189	19,991,302
Power - LEC	2,182,915	1,382,173
Power - renewable energy	2,945,503	1,726,336
Power - energy surcharges	142,686	147,918
	<u>\$ 41,388,692</u>	<u>\$ 29,678,688</u>
Transmission and distribution	<u>\$ 32,480,566</u>	<u>\$ 22,393,316</u>
CAISO	<u>\$ 2,011,048</u>	<u>\$ 293,790</u>
Scheduling and coordinating	<u>\$ 496,349</u>	<u>\$ 430,378</u>
Metering	<u>\$ 637,216</u>	<u>\$ 645,310</u>

	<u>2022</u>	<u>2021</u>
<i>Prior year power cost adjustments:</i>		
Reconciliation refund to participants	\$ 4,036,910	\$ 2,502,379
Miscellaneous prior year	(405,846)	(85,992)
	<u>\$ 3,631,064</u>	<u>\$ 2,416,387</u>
<i>General and administrative:</i>		
Dues and subscriptions	\$ 1,881	\$ 1,750
Insurance	22,691	23,369
Depreciation	11,831	11,831
Travel and entertainment	1,997	944
Licenses and fees	-	5,185
Office expenses	3,904	9,325
Professional fees	1,278,555	1,431,993
	<u>\$ 1,320,859</u>	<u>\$ 1,484,397</u>

*Schedule of Insurance Coverage
December 31, 2022*

General and auto liability, public officials' and employees' errors and omissions and employment practices liability:

Liability (\$500 deductible for 3 rd party general liability property damage; \$1,000 deductible per occurrence for 3 rd party auto liability property damage)	\$ 2,500,000 (per occurrence)
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Property loss:

Blanket coverage (\$1,000 deductible per occurrence)	\$ 800,000,000 (per occurrence)
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Employee dishonesty coverage:

Public employee dishonesty, forgery or alteration and theft, disappearance and destruction	\$ 1,000,000 (per loss)
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Boiler and machinery:

Blanket coverage (\$1,000 deductible per occurrence)	\$ 100,000,000 (per occurrence)
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Public officials personal liability:

Annual aggregate of \$500,000 per each elected/appointed official, subject to terms, conditions and exclusions (\$1,000 deductible per claim)	\$ 500,000 (per occurrence)
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**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 5.B

1. Treasurer's Report for month ending April 30, 2023.

POWER AND WATER RESOURCES POOLING AUTHORITY
CASH ACTIVITY AND TREASURER'S REPORT
 MONTH ENDING APRIL 30, 2023

CASH ACTIVITY:

BALANCE MARCH 31, 2023		\$ 15,332,207.85
Increases:		
Power Billing Invoices	\$ 3,522,549.00	
LEC - April 2023	455,495.00	
APX - Astoria Solar	37,634.03	
TCB - Monthly Interest	2,443.59	
		4,018,121.62
Decreases:		
CAISO	\$ 1,355,118.99	
WAPA O&M	629,170.00	
Canadian Solar - Slate Solar partial Jan and Feb 2023	272,426.28	
Canadian Solar - Astoria Solar - March 2023	132,198.44	
PG&E - GCID, RD 108, SCVWD, Zone 7	99,482.69	
Robertson-Bryan, Inc	66,303.91	
NextEra Whitney Point Solar - March 2023	63,686.26	
WAPA - Restoration March 2023	55,598.34	
Trimark - Cell, Meter Reading and T&M	49,556.49	
Cameron-Daniel, P.C.	36,875.90	
Aces - April 2023	25,000.00	
California Department of Tax and Fee	12,132.00	
Arvin-Edison Water Storage District-Treasurer	11,687.58	
Michael McCarty Law Office, PLLC	7,883.47	
GL Renewables - February 2023	3,807.88	
White Pines Solar Santa Clara Clara WD - March 2023	2,550.75	
Braun Blaising & Wynne, P.C.	670.25	
Bank Fees - April 2023	500.00	
Advanced Data Storage	44.50	
		2,824,693.73
BALANCE APRIL 30, 2023		\$ 16,525,635.74

TREASURERS REPORT:

Operating Account:		
Tri Counties Bank - General Operating Account #1031821, yield 2.5%		\$ 4,073,165.60
Local Agency Investment Fund (LAIF) - Account # 90-39007, yield 2.87%		
Reserve Funds	\$ 3,019,222.11	
Cap & Trade Allowance Revenue	6,087,980.94	
Funds on Deposit	3,345,267.09	
Total LAIF		12,452,470.14
TOTAL PWRPA OPERATING FUNDS - APRIL 30, 2023		\$ 16,525,635.74
Public Purpose Program (P-3) Tri Counties Bank Account #1031856		3,073,593.45
TOTAL FUNDS ON DEPOSIT WITH PWRPA - APRIL 30, 2023		\$ 19,599,229.19
CAISO Collateral Deposit Account		4,745,206.00
Western Area Power Administration - PWRPA Trust Account		1,000.00
TOTAL FUNDS - PWRPA & OTHER AGENCIES - APRIL 30, 2023		\$ 24,345,435.19

Treasurer's Notes:

All investments are placed in accordance with PWRPA's Statement of Investment Policy and Guidelines. The Treasurer's Report is presented on a cash basis, effective yields are based on most recent published information. PWRPA has sufficient cash flow to meet its obligations next month. Included in the Operating Funds above is the Board approved \$10,000,000 Reserve and Funds on Deposit from the following Participants:

Participant	Amount	Participant	Amount
Banta Carbona	\$ 22,476.04	Santa Clara	570,943.29
Cawelo	851,845.46	Sonoma	753,745.63
James	43,291.60	West Stan	282,746.34
Glen-Colusa ID	118,183.47	Westlands	573,595.81
RD108	42,539.61	West Side ID	57,887.44
		Zone 7	28,012.40
		Total	\$ 3,345,267.09

Power and Water Resources Pooling Authority
P-3 Remaining Funds By Year
as of April 30, 2023

Member Agency	2019 (a)	2020 (b)	2021 (c)	2022 (d)	2023 (e)	Total Available P-3 Funds (f)	Expenditures Total to Date (g)	April-23 (h)
Arvin-Edison WSD	\$0.00	\$0.00	\$0.00	\$287,039.39	\$88,986.00	\$376,025.39	\$5,237,215.16	\$0.00
Banta Carbona ID	0.00	28,418.11	49,489.90	65,427.64	10,976.47	154,312.12	404,708.20	0.00
Cawelo WD	49,395.58	37,702.35	33,863.10	49,929.32	5,933.09	176,823.44	802,026.78	0.00
Glenn-Colusa ID	0.00	23,300.11	32,132.77	16,991.19	3,267.14	75,691.21	348,863.79	0.00
James ID	8,070.92	10,457.51	15,685.23	23,010.13	1,847.80	59,071.59	122,899.04	0.00
Lower Tule ID	0.00	0.00	0.00	32,941.76	5,438.50	38,380.26	331,806.44	0.00
Princeton ID	7,595.11	9,341.59	8,671.24	5,519.48	773.10	31,900.52	146,848.67	0.00
Santa Clara Valley WD	0.00	0.00	16,885.21	95,595.06	23,443.37	135,923.64	737,636.35	0.00
Sonoma County WA	84,011.90	99,654.97	109,040.76	145,540.92	19,041.59	457,290.14	1,406,740.31	0.00
West Stanislaus ID	0.00	0.00	0.00	61,317.22	4,403.85	65,721.07	496,284.30	0.00
Westlands WD (North & South)	0.00	0.00	102,451.51	1,093,235.26	112,808.96	1,308,495.73	5,531,125.34	0.00
West Side ID	5,539.13	8,928.49	9,001.39	14,164.94	1,278.61	38,912.56	129,954.40	0.00
RD 108	24,126.08	17,667.76	16,362.76	12,723.85	1,237.94	72,118.39	185,239.74	0.00
Zone 7	0.00	9,318.79	25,493.12	37,692.11	10,316.31	82,820.33	71,833.02	0.00
Undesignated/Forfeited/Misc	107.06	0.00	0.00	0.00	0.00	107.06	35,133.04	0.00
Total	\$178,845.78	\$244,789.68	\$419,076.99	\$1,941,128.27	\$289,752.73	\$3,073,593.45	\$15,988,314.58	\$0.00
Exclusive access Date	08/04/23	08/03/24	08/02/25					

- (a) Three year exclusive access to these funds by agency begins on 8/05/20 and ends 08/04/23
- (b) Three year exclusive access to these funds by agency begins on 8/04/21 and ends 08/03/24
- (c) Three year exclusive access to these funds by agency begins on 8/03/22 and ends 08/02/25
- (d) 2022 P-3 collected
- (e) 2023 P-3 collected through April 2023
- (f) Total available P-3 Funds
- (g) Total P-3 expenditures since inception of program
- (h) P-3 expenditures April 2023

Power and Water Resources Pooling Authority
 Cap and Trade Allowance Revenue
 Pursuant to Resolution 13-04-05 and Resolution 21-11-14
 As of April 30, 2023

District	Resolution 13-04-05		Resolution 21-11-14			Total Revenue	Expenditures	Balance
	Allocation	Revenue	2021	2022	2023			
Arvin	37.478%	\$3,421,905.95	\$208,146.78	\$831,876.00	\$140,437.69	\$4,602,366.42	\$3,921,905.95	\$680,460.47
Banta Carbona	3.115%	284,413.18	33,717.30	132,634.85	23,894.46	474,659.79	0.00	474,659.79
Cawelo	8.447%	771,248.19	32,760.55	115,918.41	15,457.59	935,384.74	205,787.50	729,597.24
Glenn-Colusa	2.849%	260,126.21	23,174.67	86,307.16	12,260.29	381,868.33	381,868.33	0.00
James	0.798%	72,860.90	5,746.23	23,359.47	4,750.32	106,716.92	0.00	106,716.92
Lower Tule	1.005%	91,760.91	20,089.23	76,569.91	11,104.80	199,524.85	0.00	199,524.85
Princeton	1.334%	121,800.06	7,684.74	25,968.74	3,291.54	158,745.08	47,503.21	111,241.87
RD 108	1.368%	124,904.41	10,013.47	35,342.29	4,783.91	175,044.08	175,044.08	0.00
Santa Clara	4.853%	443,100.21	45,211.76	169,068.24	27,399.05	684,779.26	443,100.21	241,679.05
Sonoma	7.787%	710,987.29	71,470.54	275,734.34	45,531.07	1,103,723.24	196,000.00	907,723.24
Byron Bethany II	0.708%	64,643.51	5,278.35	20,240.47	3,381.27	93,543.60	93,543.60	0.00
West Stan	3.228%	294,730.57	31,345.36	119,698.69	22,058.20	467,832.82	150,789.15	317,043.67
Westlands	27.030%	2,467,957.68	202,357.42	796,569.54	178,047.22	3,644,931.86	1,390,020.55	2,254,911.31
Zone 7	0.000%	0.00	9,503.60	46,016.34	8,902.59	64,422.53	0.00	64,422.53
Total	100.000%	\$9,130,439.07	\$706,500.00	\$2,755,304.45	\$501,300.00	\$13,093,543.52	\$ 7,005,562.58	\$ 6,087,980.94

(a) Transferred as a Payment to power cost to help meet RPS

(b) GCID \$65,084.88 in approved projects remaining revenue transferred as a payment to power cost to help meet RPS

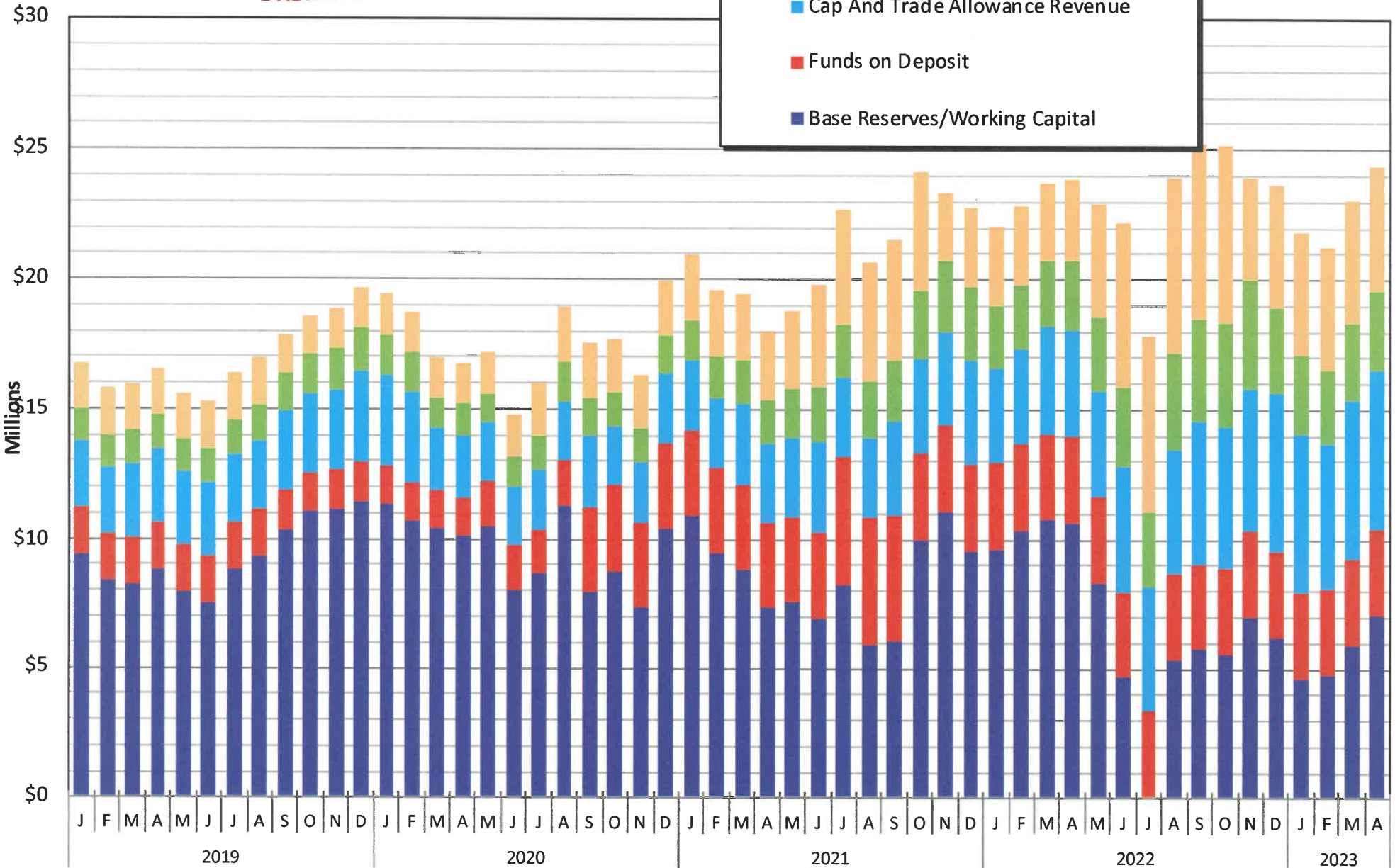
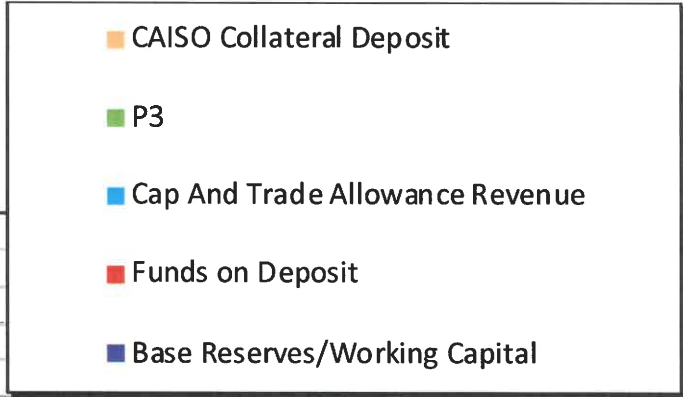
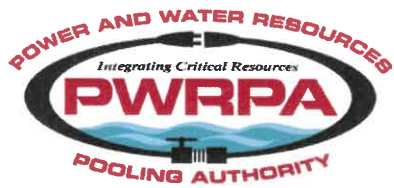
District	Exhibit B Allocation		
	2021	2022	2023
Arvin	29.4617%	30.1918%	28.0147%
Banta Carbona	4.7724%	4.8138%	4.7665%
Cawelo	4.6370%	4.2071%	3.0835%
Glenn-Colusa	3.2802%	3.1324%	2.4457%
James	0.8133%	0.8478%	0.9476%
Lower Tule	2.8435%	2.7790%	2.2152%
Princeton	1.0877%	0.9425%	0.6566%
RD 108	1.4173%	1.2827%	0.9543%
Santa Clara	6.3994%	6.1361%	5.4656%
Sonoma	10.1161%	10.0074%	9.0826%
Byron Bethany II	0.7471%	0.7346%	0.6745%
West Stan	4.4367%	4.3443%	4.4002%
Westlands	28.6422%	28.9104%	35.5171%
Zone 7	1.3452%	1.6701%	1.7759%
Total	100.0000%	100.0000%	100.0000%

Sale of Freely Allocated Allowances

Year	March	June	September	December	Total
2012				\$ 216,935.00	\$ 216,935.00
2013	136,200.00			370,080.76	506,280.76
2014		379,500.00	184,000.00	192,511.00	756,011.00
2015	195,360.00	196,640.00	200,320.00	212,934.71	805,254.71
2016	212,158.18	89,530.09	249,317.05	296,303.48	847,308.80
2017	115,168.59	371,399.40	265,500.00	260,748.84	1,012,816.83
2018	262,980.00	263,700.00	258,408.50	264,250.60	1,049,339.10
2019	283,140.00		446,160.00	461,227.00	1,190,527.00
2020	321,660.00		500,400.00	415,783.87	1,237,843.87
2021	445,000.00	480,622.00	582,500.00	706,500.00	2,214,622.00
2022	583,000.00	827,304.45	675,000.00	670,000.00	2,755,304.45
2023	501,300.00				501,300.00
				Total	\$12,592,243.52

Resolution 13-04-05 \$9,130,439.07
 Resolution 21-11-14 3,461,804.45
\$12,592,243.52

SUMMARY TREASURER REPORT

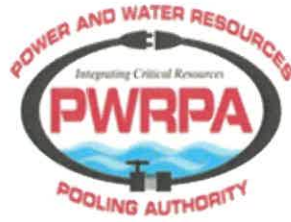


POWER & WATER RESOURCES POOLING AUTHORITY

WIRE TRANSFERS

April 1 - 30, 2023

Transaction Number	Beneficiary Name	Credit Amount	Value Date
173437	ACES Power Marketing	\$25,000.00	4/3/2023
173438	GL Renewables, LLC	\$3,807.88	4/3/2023
173439	Slate 1 (Canadian Solar)	\$119,976.56	4/3/2023
173440	CAISO Market Clearing	\$188,511.03	4/3/2023
173441	Pacific Gas and Electric	\$1,805.51	4/3/2023
173856	Cameron-Daniel, P.C.	\$36,875.90	4/5/2023
174355	CAISO Market Clearing	\$179,188.49	4/10/2023
174356	Slate 1 (Canadian Solar)	\$152,449.72	4/10/2023
175199	WAPA O M	\$629,170.00	4/17/2023
175200	Pacific Gas and Electric	\$97,677.18	4/17/2023
175201	CAISO Market Clearing	\$249,982.22	4/17/2023
175202	Garlock Energy, LLC	\$2,550.75	4/17/2023
175205	Western Area Power Administration	\$55,598.34	4/17/2023
176048	CAISO Market Clearing	\$737,437.25	4/24/2023
176049	Whitney Point Solar LLC	\$63,686.26	4/24/2023
176050	Trimark Associates, Inc.	\$49,556.49	4/24/2023
176051	Astoria 2 Operating	\$127,382.20	4/24/2023
176217	APX Inc.	\$4,816.24	4/25/2023
Total		2,725,472.02	



POWER AND WATER RESOURCES POOLING AUTHORITY

DISBURSEMENT LIST

May 2023

Check #	Vendor-name	Payment-description	Check-amount
3359	Advanced Data Storage	Document Storage - May 2023	\$ 44.50
3360	Arvin-Edison Water Storage District	Treasurer's Duties	8,867.39
3361	Braun Blaising & Wynne, P.C.	Legal Services - April 2023	520.99
3362	Michael McCarty Law Office PLLC	Consultant	7,025.00
3363	Robertson Bryan Inc.	Consultant	66,734.41
		Sub-Total	<u>\$ 83,192.29</u>
Wire Transfers:			
Wire	Cameron-Daniel, P.C.	General Manager/General Council	\$ 37,435.60
Wire	Holland & Knight	FERC Wholesale Distribution Filing Legal Fees	849.24
		Total	<u><u>\$ 121,477.13</u></u>

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.B

1. Operations Manager's Report.

Power and Water Resources Pooling Authority

June 2023 Update

Operations Manager Report

Operations Staff Overview

1. June planned activity
 - a) Slate: data comms with MCG, invoice resolution, deemed energy protocol
 - b) 2022 Reconciliation
 - c) LTRID Hydro implementation
 - d) DSGS participation?
2. May recap
 - a) Slate coord: data flows, deemed energy discussions, PV/BESS internal cost allocation.
 - b) 2023 budget updates for wet year trends
 - c) Various coordination w/ Solar developers on Districts request
 - d) WAPA IRP reports, annual and 5-Year
 - e) LTRID interconnection coord.

Operations Report:

1. Pre-Reconciliation
 - a) Actual data for January – partial May, May - December estimates.
 - b) BR estimates as of May 1 WAPA forecast, mid-year rate letter makes the rate \$31/MWH (down from \$54 in the Dry budget).
 - c) Various Slate data still outstanding.
 - d) May BR energy forecast still leaves room for improvement. Table 1 below is a conservative wet year.

Table 1: 2023 Pre-Reconciliation

Table 1: Revenue and Expense: January - December 2023								
Participant	Revenue	Expenses				Balance	Summary	
	Power Invoice	Power & Ops Costs	P3	Direct Consulting	Prior Period	Over/(Under) Funded	Total Costs	Composite Rate (¢/ kWh)
Arvin-Edison	\$ 17,620,128	\$ 15,132,873	\$ 431,287	\$ 122	\$ 34,615	\$ 2,021,231	\$ 15,598,897	\$ 13.74
Banta-Carbona	\$ 2,054,523	\$ 1,924,836	\$ 54,858	\$ -	\$ 7,692	\$ 67,137	\$ 1,987,386	\$ 13.90
Cawelo	\$ 2,466,748	\$ 2,083,013	\$ 59,366	\$ -	\$ 15,962	\$ 308,407	\$ 2,158,341	\$ 14.37
Glenn-Colusa	\$ 1,630,595	\$ 1,292,323	\$ 36,831	\$ -	\$ 2,885	\$ 298,556	\$ 1,332,039	\$ 13.68
James	\$ 528,613	\$ 529,068	\$ 15,078	\$ -	\$ 962	\$ (16,496)	\$ 545,108	\$ 19.00
Lower Tule	\$ 2,058,892	\$ 1,487,519	\$ 42,394	\$ -	\$ -	\$ 528,979	\$ 1,529,913	\$ 16.44
Princeton	\$ 560,034	\$ 542,671	\$ 15,466	\$ -	\$ 962	\$ 935	\$ 559,099	\$ 13.97
RD108	\$ 594,281	\$ 486,345	\$ 13,861	\$ 1,847	\$ 1,154	\$ 91,075	\$ 503,206	\$ 21.54
Santa Clara	\$ 4,541,627	\$ 3,755,194	\$ 107,023	\$ 680	\$ 5,769	\$ 672,961	\$ 3,868,666	\$ 18.58
Sonoma	\$ 6,660,790	\$ 5,001,033	\$ 142,529	\$ 54	\$ 3,846	\$ 1,513,328	\$ 5,147,462	\$ 15.52
West Stan	\$ 2,276,481	\$ 1,524,765	\$ 43,456	\$ -	\$ 7,692	\$ 700,568	\$ 1,575,913	\$ 12.92
Westlands	\$ 14,659,496	\$ 12,603,760	\$ 359,207	\$ -	\$ 15,385	\$ 1,681,144	\$ 12,978,352	\$ 25.18
Westside	\$ 416,818	\$ 366,764	\$ 10,453	\$ -	\$ 1,154	\$ 38,447	\$ 378,371	\$ 15.55
Zone 7	\$ 1,724,918	\$ 1,476,345	\$ 42,076	\$ -	\$ 1,923	\$ 204,574	\$ 1,520,344	\$ 21.24
PWRPA	\$ 57,793,945	\$ 48,206,509	\$ 1,373,886	\$ 2,703	\$ 100,000	\$ 8,110,847	\$ 49,683,097	\$ 16.65

Power and Water Resources Pooling Authority

June 2023 Update

Operations Manager Report

2. April operations
 - a) Energy is 57% under budget for the month, 37% for the year
 - b) Load averaged 30 MW (5MW higher than last month)
 - c) Average schedule deviation of 3.6 MW for an estimated benefit of 29,800.
3. Pricing
 - a) Average monthly prices

Table 2: Average monthly cost and ISO revenue rates

	Cost	Revenue
BR	\$ 30.83	\$ (61.74)
Displacement	\$ 30.83	\$ (49.17)
WWD BOR	\$ -	\$ (58.95)
Whitney Point	\$ 58.75	\$ (8.07)
Astoria	\$ 63.00	\$ (7.57)
Slate	\$ 26.81	\$ (19.24)
*Lodi	\$ 42,282.52	\$ (68.07)
Market		
*Lodi on outage		

Generator Reports

1. Astoria Solar
 - a) Generation
 - o 2,969MWh, 41% capacity
 - o Net cost \$43,451 or \$15 /MWh
 - b) Negative Pricing review (wet year)

Astoria	Month	Total MW	Total MW @ < -\$25 RT LMP	Total MW @ < -\$15 RT LMP	Total MW @ < -\$0 RT LMP	Neg %
	1	1,262	-	-	38	3%
2	1,651	-	-	335	20%	
3	2,021	121	283	808	40%	
4	2,969	184	486	1,465	49%	

2. Whitney Point Solar
 - a) Generation
 - o 2,511 MWh, 32% capacity factor
 - o Net cost \$67,870, or \$27 /MWh
 - b) Negative Pricing review (wet year)

Whitney	Month	Total MW	Total MW @ < -\$25 RT LMP	Total MW @ < -\$15 RT LMP	Total MW @ < -\$0 RT LMP	Neg %
	1	1,047	2	13	61	6%
2	1,518	2	21	374	25%	
3	1,639	12	55	519	32%	
4	2,511	146	923	1,740	69%	

Power and Water Resources Pooling Authority

June 2023 Update

Operations Manager Report

3. Slate Solar + Battery

a) Generation

- 5,818 MWh, 31% capacity factor
- Net value \$288,932, or \$50 /MWh

b) Staff work

- ACES & MCG to setup data flows: working through data translations.
- Deemed Energy issues & Storage Loss Factor being worked out for all months

c) Negative Pricing review (wet year)

Slate	Month	Total MW	Total MW @ < -\$25 RT LMP	Total MW @ < -\$15 RT LMP	Total MW @ < -\$0 RT LMP	Neg %
	1	1,976	54	82	189	10%
2	3,225	2	10	426	13%	
3	3,570	34	263	1,163	33%	
4	5,818	63	906	3,201	55%	

4. Lodi Energy Center

- On normal monthly outage

Power Planning & Regulatory

1. Power Net Short

a) 2023 – Tracking a wet year, WAPA’s current forecast is May 1, 2023.

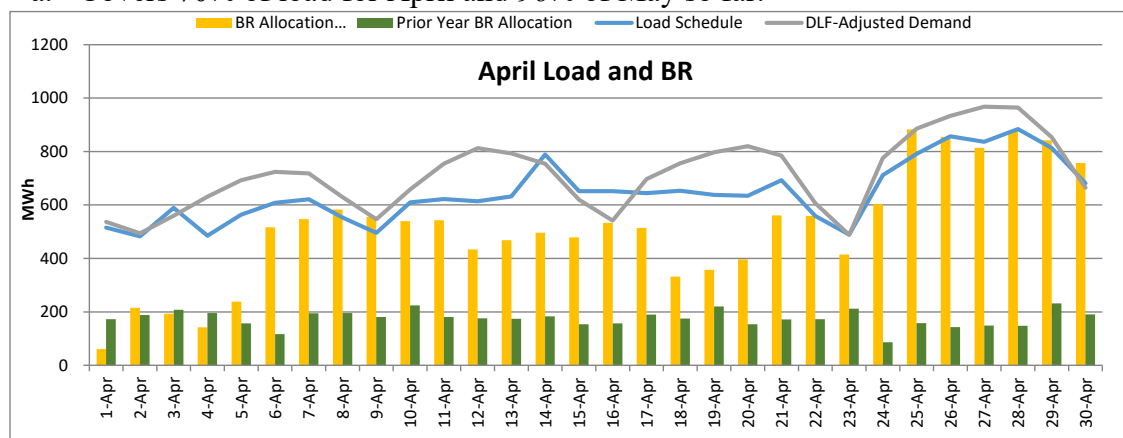
- a. No shortage for wet year

b) WAPA overview

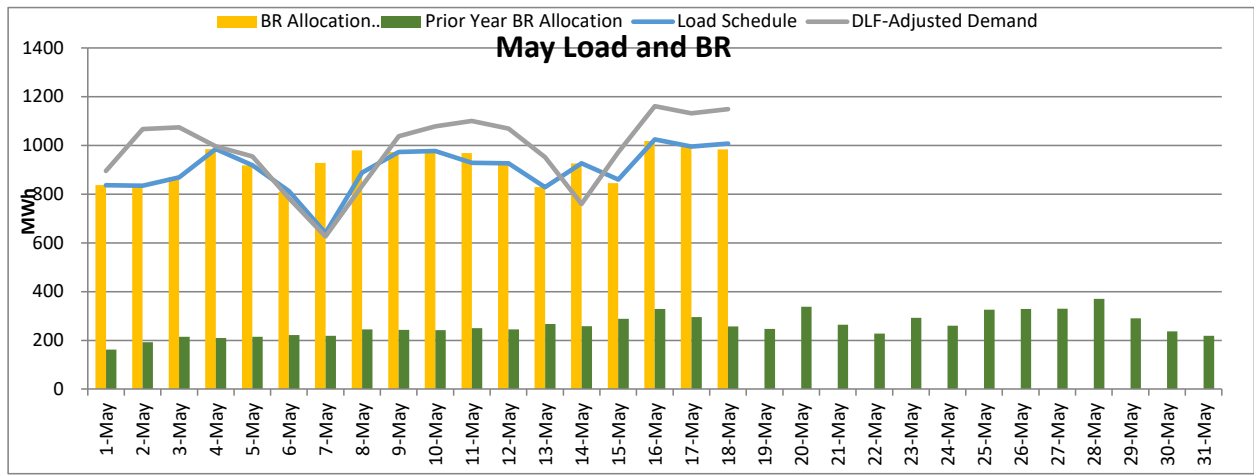
- Reservoirs (as of March 30) – majority of them are over the historical average.
- Snow pack % of normal for this date:
 1. Northern Sierra/Trinity 268%
 2. Central Sierra: 336%
 3. Southern Sierra 402%

2. BR output:

a. Covers 70% of load for April and 96% of May so far.



Power and Water Resources Pooling Authority
June 2023 Update
Operations Manager Report



3. Regulatory

a) Resource Adequacy:

- o No shortfall capacity calls from the CAISO so far in 2023

b) RPS: Compliance snapshot:

- o PWRPA staff working with solar developers on various District project solicitations
- o 2023 REC purchase is included in the budget, however, we'll reevaluate the volumes late Summer when we have a better feel for the loads/hydro year estimates as well as new project start dates.

Table 3: Current Renewable Compliance Period Exposure Summary

Allocation of Portfolio	Net Short		Procurement		
	PCC1	PCC3	\$ 30	\$ 6	\$ 4
Compliance Period 4	PCC1	PCC3	PCC1	PCC3	PCC3 Sale
AEWSD	-	8,229	\$ -	\$ 49,372	\$ -
BCID	8,462	2,787	\$ 253,872	\$ 16,724	\$ -
CWD	-	-	\$ -	\$ -	\$ (30,605)
GCID	857	1,618	\$ 25,705	\$ 9,705	\$ -
JID	856	568	\$ 25,679	\$ 3,410	\$ -
LTRID	-	1,390	\$ -	\$ 8,341	\$ -
PPCGID	-	498	\$ -	\$ 2,988	\$ -
RD 108	-	-	\$ -	\$ -	\$ (8,110)
SCVWD	3,717	3,472	\$ 111,505	\$ 20,833	\$ -
SCWA	-	4,070	\$ -	\$ 24,422	\$ -
TWID	609	387	\$ 18,271	\$ 2,320	\$ -
WSID	2,993	2,445	\$ 89,786	\$ 14,671	\$ -
WWD	32,086	17,530	\$ 962,582	\$ 105,178	\$ -
Z7	1,102	-	\$ 33,063	\$ -	\$ (10,080)
PWRPA	50,682	42,994	\$ 1,520,462	\$ 257,967	\$ (48,795)

Power and Water Resources Pooling Authority

June 2023 Update

Operations Manager Report

- CEC is near completion of the CP3 validation. Staff working on final validation and acceptance.
- PWRPA staff working to add LTRID Hydro into PWRPA’s portfolio, those REC estimates are not include in the data yet.
- PWRPA forward look:

Table 4: RPS requirements summarized by Compliance Period

		MWh/RECs			
Compliance Period		Retail Sales	RPS Req	RPS%	LT Req
2021-2024	CP4	1,485,909	591,161	40%	65%
2025-2027	CP5	1,252,529	618,200	49%	65%
2028-2030	CP6	1,222,602	705,420	58%	65%

Table 5: PCC1/PCC2 REC Summary

	PCC1/2 Req	In Portfolio	Coverage	LT RECs	LT%
CP4	518,442	554,423	107%	479,537	81%
CP5	548,280	461,545	84%	461,545	75%
CP6	626,778	462,958	74%	471,958	67%

Table 6: PCC3 REC Summary

	PCC3	In Portfolio	Coverage	LT RECs	LT%
CP4	57,605	32,830	57%	32,830	6%
CP5	60,920	39,510	65%	39,510	6%
CP6	69,642	39,483	57%	39,483	6%

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.C

1. Resolution 23-06-04 *Rate Review and Adjustment.*

Power & Water Resources Pooling Authority
Resolution 23-06-04

RATE REVIEW AND REVISED PRO FORMA RATE SCHEDULE

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) provides aggregated electric services to electric accounts designated by Project Participants that are signatories to the Aggregation Services Agreement (“ASA”); and

WHEREAS, ASA Section 8.1 requires PWRPA to recover costs through rates and charges applicable to Project Participants; and

WHEREAS, ASA Section 8.3 allows the Board, based on principles in Exhibit E to the ASA, to adjust rates as may be required to collect additional operating funds to address shortfalls or to return amounts of any over-collection that may occur due to various factors, including but not limited to seasonal adjustments; and

WHEREAS, Section III A of Exhibit E to the ASA permits Inter-Period adjustments of the pro forma power rates by the Board as may be reasonably required to address shortfalls or over-collections that may occur due to various factors affecting the reserve fund; and

WHEREAS, continuing to collect using the current Pro Forma rates will result in substantial under-collections.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves the Pro Forma Rate schedule and Rate Change Detail for energy shown in Table XX of the memorandum, appended hereto as Attachment A, to be effective on May 1, 2023.
2. Authorizes this Resolution to take effect immediately upon its adoption.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% Voting Shares)
NOES	None
ABSENT	None

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**ATTACHMENT A
to
RESOLUTION 23-06-04**

THIS DOCUMENTATION TO BE ADDED PRIOR TO THE BOARD MEETING

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.D

1. Resolution 23-06-05 *ASA Exhibit E Version 10.*

Power and Water Resources Pooling Authority
June 7, 2023 Regular Board Meeting
Item 6.D DSGS Summary for ASA Exhibit E Amendment

Actions Requested

Consider amending Aggregation Services Agreement (ASA) Exhibit E Ver. 10 to add language to the Load Cost section I to account for Demand Response activity.

Issue Description

PWRPA enters forecasted load into the day-ahead (DA) market as required by the WAPA contract. Imbalance energy (difference from actual energy and load forecast) is settled in the real-time (RT) market. ASA Exhibit E Section I for Load cost allocates all costs (DA and RT) pro rata on actual energy.

Demand Response activity is a specific act to serve a determined amount in DA and change (usually reduce) that amount in RT. Therefore, we should change our algorithms accordingly when there is participation in an official Demand Response program event. DA energy costs to be allocated on forecasted energy, and RT energy costs on imbalance energy.

This cost allocation will be used only during the event hours.

Discussion

PWRPA allocates all load costs (DA energy, RT energy, congestion, and losses) on an hourly basis based on hourly energy since its inception. In other words, we do not differentiate cost allocation based on performance of the load forecast. We did this because when PWRPA started up, all meters were energy meters (not interval) and we created software to shape total monthly energy into hourly (as required by the CAISO). Also, most Districts schedule in water volumes and we use the software to convert that number to power, which is not an exact science.

Staff revisited this in 2019 when PWRPA went through a major cost allocation review (aiming to handle Base Resource and overhead costs differently). Staff ultimately did not recommend a change in how we allocate load costs as there was not a compelling reason to make the change. While we do have interval meters now, we did not want to penalize any District on the performance of their load forecast and also because we schedule as PWRPA, and may choose to change the load forecast due to economics in the DA versus RT.

Because Demand Response is a specific act to change load in real-time, staff is recommending to use forecasted energy versus actual energy in these event hours only. Districts elect to be in the Demand Response program, elect what hours to participate, and elect their participation level. Therefore, they are taking an active role to set their load forecast in PWRPA's software system during these event times. PWRPA staff is making all efforts for all Districts to have reliable load forecasts for this reason during event times. This is in alignment with PWRPA's program application for the State Demand Response Program.

Author: Cori Bradley

Review: Bruce McLaughlin

Power and Water Resources Pooling Authority
June 7, 2023 Regular Board Meeting
Item 6.D DSGS Summary for ASA Exhibit E Amendment

Attachment A to this memo summarizes the difference in the load cost allocations from the normal way, versus the proposed change for Demand Response hours.

Recommendation

Amend the Aggregation Services Agreement as shown in the three resolving paragraphs below:

1. Approves the amendment to ASA Exhibit E, Section VI Cost Allocation Algorithms, Subsection I Load Costs, as shown here in italics:
 1. Cost Allocation: Participant hourly Energy.
 2. Costs include all day-ahead and real-time energy, congestion, and loss charges.
 3. *Demand Response programs will use a combination of Participant hourly energy and Participant load forecast for Cost Allocation.*
2. Authorizes this Resolution to have an Effective Date of January 1, 2023, thereby, being applicable to the demand response cost allocations in the 2022 Annual Reconciliation.
3. Directs the General Counsel to prepare a conformed blackline full copy of Exhibit E signified as Version 10 and attach it to the official version of this Resolution.

Author: Cori Bradley

Review: Bruce McLaughlin

**Power and Water Resources Pooling Authority
June 7, 2023 Regular Board Meeting
Item 6.D DSGS Summary for ASA Exhibit E Amendment**

Attachment A to Memo

SUMMARY of California Energy Commission’s Demand Side Grid Support Program

PWRPA participated in the 2022 Demand Side Grid Support (DSGS) Program administered by the California Energy Commission (CEC) which provided financial incentives to reduce customer load during extreme events. The program was open from August – October 31, but only had curtailment events from August 31 to September 9, 2022. Participants were AEWS, SCVWD, WWD and Z7. In all, they curtailed 296 MWhs and received a payment of \$665,767 (\$2,250 per MWh) from the CEC.

In addition to the CEC incentive payment, Districts received the associated cost or savings based on the day-ahead (DA) and real-time (RT) prices in the CAISO. This is because PWRPA schedules forecasted load on the DA market and the imbalance (difference in the DA forecast and the actual meter) is priced in RT.

Table 1: Net Savings	AEWS	SCVWD	WWD	Z7	Total
Load Cost/(Savings)	\$ 33,464	\$ 3,529	\$ (17,545)	\$ 18,099	\$ 37,547
DSGS Program Credit	\$ (347,995)	\$ (20,035)	\$ (217,901)	\$ (79,834)	\$ (665,766)
Net Savings	\$ (314,531)	\$ (16,506)	\$ (235,446)	\$ (61,735)	\$ (628,219)
Curtailed MWh	155.1	8.9	96.8	35.1	295.9

DETAIL

1. DSGS Program Credit:

The DSGS program credit is straightforward. They were providing a \$2,250 per curtailed MWh. Curtailment events for load shedding were triggered by an CAISO alert of EEA Watch or higher alert (e.g., EEA 1 – 3). Participation could be for any hours of the event and for any volume of curtailment. PWRPA’s baseline for measuring the curtailment was the DA load forecast submitted into its EAS software system.

2. Load Cost

Per Aggregation Services Agreement Exhibit E, Section I, load costs per hour are allocated by bundling all the DA and RT load costs, and allocating that total to the districts based on their actual metered load. In other words, the forecasted load is not used. The intent of this is to avoid penalizing individual districts for the software forecast, and for any scheduling deviations due to Scheduling Agent activity.

However, for the duration of the DSGS program hours, it is important to make sure we are allocating the DA and RT load costs to the districts to account for the intended difference between DA forecast and RT actual load due to curtailments. PWRPA staff kept a close watch on the forecasts in those days for all districts to keep these calculations fair to PWRPA’s districts.

This adjustment shifts costs for all districts during the program hours due to the split of DA and RT cost calculations, i.e., the cost for the hour in total for PWRPA must remain unchanged. The series of tables below show the calculated costs to the district before and after making those adjustments for the specific hours in which the DSGS program was active for any PWRPA participants. The highlighted entries indicate the participation in the given DSGS interval.

Table 2 shows the aggregated DA and RT costs allocated on metered load before changes were made to account for the DSGS program hours.

Date	Hours	AEWSD	BCID	CWD	GCID	JID	LTRID	PPCID	RD108	SCVWD	SCWA	WSID	WWD	TWID	Z7	PWRPA
8/31/2022	17-20	\$ 68,605	\$ 6,217	\$ 6,818	\$ 1,147	\$ 2,242	\$ 4,314	\$ 43	\$ 1,136	\$ 12,014	\$ 13,791	\$ 6,828	\$ 130,850	\$ 1,236	\$ 4,286	\$ 259,527
9/3/2022	18-20	\$ 59,009	\$ 7,011	\$ 7,229	\$ 1,633	\$ 2,163	\$ 3,100	\$ 42	\$ 895	\$ 9,643	\$ 14,701	\$ 5,230	\$ 110,408	\$ 1,673	\$ 2,611	\$ 225,347
9/4/2022	17-20	\$ 49,740	\$ 5,493	\$ 6,154	\$ 1,121	\$ 2,197	\$ 805	\$ 45	\$ 769	\$ 10,198	\$ 12,832	\$ 6,195	\$ 106,226	\$ 1,659	\$ 1,971	\$ 205,407
9/5/2022	17-22	\$ 86,047	\$ 7,515	\$ 9,234	\$ 2,152	\$ 3,003	\$ 4,646	\$ 51	\$ 1,353	\$ 13,061	\$ 14,258	\$ 9,363	\$ 154,717	\$ 2,832	\$ 3,433	\$ 311,665
9/6/2022	16-21	\$ 118,292	\$ 9,603	\$ 12,976	\$ 3,583	\$ 4,230	\$ 10,164	\$ 96	\$ 1,892	\$ 17,790	\$ 21,508	\$ 15,778	\$ 217,277	\$ 3,224	\$ 5,221	\$ 441,632
9/7/2022	16-21	\$ 124,974	\$ 19,519	\$ 12,943	\$ 3,936	\$ 1,965	\$ 9,663	\$ 104	\$ 2,028	\$ 26,540	\$ 27,505	\$ 17,879	\$ 253,325	\$ 3,572	\$ 5,854	\$ 509,808
9/8/2022	15-21	\$ 111,120	\$ 22,864	\$ 13,457	\$ 3,801	\$ 1,569	\$ 9,364	\$ 101	\$ 1,716	\$ 22,052	\$ 26,343	\$ 15,518	\$ 251,533	\$ 2,832	\$ 6,267	\$ 488,537
9/9/2022	16-20	\$ 58,348	\$ 11,773	\$ 6,872	\$ 2,238	\$ 2,010	\$ 4,610	\$ 49	\$ 1,060	\$ 12,875	\$ 12,653	\$ 7,002	\$ 123,338	\$ 1,150	\$ 3,798	\$ 247,776
Total		\$ 676,134	\$ 89,996	\$ 75,684	\$ 19,612	\$ 19,381	\$ 46,667	\$ 531	\$ 10,849	\$ 124,172	\$ 143,590	\$ 83,792	\$ 1,347,673	\$ 18,178	\$ 33,439	\$ 2,689,698

Table 3 shows the adjusted load cost due to the calculation changes *only* in the hours the DSGS program ran.

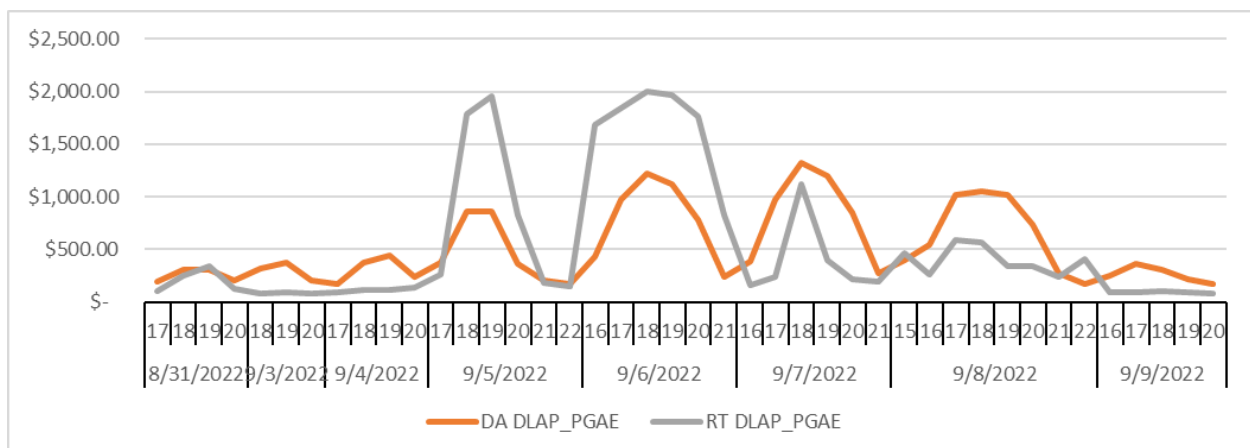
Date	Hours	AEWSD	BCID	CWD	GCID	JID	LTRID	PPCID	RD108	SCVWD	SCWA	WSID	WWD	TWID	Z7	PWRPA
8/31/2022	17-20	\$ 70,214	\$ 5,386	\$ 6,905	\$ 725	\$ 1,547	\$ 4,464	\$ 44	\$ 1,966	\$ 13,529	\$ 14,089	\$ 6,719	\$ 131,196	\$ 777	\$ 1,965	\$ 259,527
9/3/2022	18-20	\$ 53,431	\$ 6,321	\$ 6,394	\$ 1,250	\$ 2,200	\$ 4,388	\$ 41	\$ 235	\$ 10,625	\$ 13,672	\$ 6,098	\$ 113,518	\$ 894	\$ 6,280	\$ 225,347
9/4/2022	17-20	\$ 51,614	\$ 5,304	\$ 6,156	\$ 1,110	\$ 2,033	\$ 614	\$ 45	\$ 878	\$ 10,045	\$ 12,240	\$ 6,112	\$ 105,850	\$ 1,749	\$ 1,655	\$ 205,407
9/5/2022	17-22	\$ 87,296	\$ 8,002	\$ 8,475	\$ 1,766	\$ 2,855	\$ 3,644	\$ 52	\$ 834	\$ 15,444	\$ 16,103	\$ 9,416	\$ 149,998	\$ 2,215	\$ 5,565	\$ 311,665
9/6/2022	16-21	\$ 117,309	\$ 9,326	\$ 13,216	\$ 3,805	\$ 4,313	\$ 10,363	\$ 100	\$ 2,160	\$ 16,951	\$ 20,668	\$ 16,513	\$ 218,959	\$ 3,409	\$ 4,540	\$ 441,632
9/7/2022	16-21	\$ 150,521	\$ 5,608	\$ 15,218	\$ 1,827	\$ 7,614	\$ 7,120	\$ 74	\$ 462	\$ 20,469	\$ 32,006	\$ 9,828	\$ 239,767	\$ 2,543	\$ 17,675	\$ 509,808
9/8/2022	15-21	\$ 113,478	\$ 21,744	\$ 13,847	\$ 3,755	\$ 1,867	\$ 9,463	\$ 100	\$ 1,739	\$ 23,197	\$ 26,205	\$ 14,802	\$ 248,712	\$ 2,867	\$ 6,762	\$ 488,537
9/9/2022	16-20	\$ 62,030	\$ 10,104	\$ 6,923	\$ 1,982	\$ 1,951	\$ 4,807	\$ 47	\$ 830	\$ 12,648	\$ 13,378	\$ 6,646	\$ 120,488	\$ 1,167	\$ 4,775	\$ 247,776
Total		\$ 705,895	\$ 71,796	\$ 77,133	\$ 16,220	\$ 24,380	\$ 44,864	\$ 502	\$ 8,179	\$ 122,908	\$ 148,360	\$ 76,132	\$ 1,328,490	\$ 15,621	\$ 49,217	\$ 2,689,698

Table 4 is the difference between Table 2 & 3, with cost increases as positive numbers and decreases as negative numbers.

Date	Hours	AEWSD	BCID	CWD	GCID	JID	LTRID	PPCID	RD108	SCVWD	SCWA	WSID	WWD	TWID	Z7	PWRPA
8/31/2022	17-20	\$ 1,610	\$ (831)	\$ 87	\$ (422)	\$ (695)	\$ 150	\$ 1	\$ 830	\$ 1,516	\$ 298	\$ (109)	\$ 347	\$ (459)	\$ (2,322)	\$ -
9/3/2022	18-20	\$ (5,577)	\$ (690)	\$ (835)	\$ (383)	\$ 37	\$ 1,288	\$ (2)	\$ (660)	\$ 982	\$ (1,029)	\$ 868	\$ 3,110	\$ (778)	\$ 3,669	\$ -
9/4/2022	17-20	\$ 1,874	\$ (189)	\$ 2	\$ (11)	\$ (164)	\$ (191)	\$ 0	\$ 109	\$ (153)	\$ (592)	\$ (83)	\$ (376)	\$ 90	\$ (316)	\$ -
9/5/2022	17-22	\$ 1,250	\$ 487	\$ (759)	\$ (387)	\$ (148)	\$ (1,002)	\$ 1	\$ (519)	\$ 2,384	\$ 1,846	\$ 53	\$ (4,718)	\$ (618)	\$ 2,132	\$ -
9/6/2022	16-21	\$ (983)	\$ (276)	\$ 240	\$ 222	\$ 83	\$ 199	\$ 4	\$ 269	\$ (839)	\$ (841)	\$ 735	\$ 1,682	\$ 185	\$ (681)	\$ -
9/7/2022	16-21	\$ 25,547	\$ (13,911)	\$ 2,275	\$ (2,110)	\$ 5,649	\$ (2,543)	\$ (31)	\$ (2,490)	\$ (6,072)	\$ 4,501	\$ (8,051)	\$ (13,558)	\$ (1,029)	\$ 11,822	\$ -
9/8/2022	15-21	\$ 2,359	\$ (1,120)	\$ 390	\$ (46)	\$ 297	\$ 99	\$ (1)	\$ 23	\$ 1,146	\$ (138)	\$ (716)	\$ (2,821)	\$ 35	\$ 495	\$ -
9/9/2022	16-20	\$ 3,682	\$ (1,669)	\$ 50	\$ (255)	\$ (59)	\$ 197	\$ (2)	\$ (231)	\$ (227)	\$ 725	\$ (357)	\$ (2,850)	\$ 16	\$ 978	\$ -
Total		\$ 29,761	\$ (18,200)	\$ 1,449	\$ (3,392)	\$ 5,000	\$ (1,804)	\$ (29)	\$ (2,671)	\$ (1,264)	\$ 4,770	\$ (7,660)	\$ (19,183)	\$ (2,557)	\$ 15,778	\$ -

The general concept of the program is that the grid is calling on curtailment due to supply shortages. When the grid is in stress, prices should be higher in the RT versus the DA. Some hours yielded increased costs to DSGS participants, most notably on September 7 and 8. In this instance, the DA Schedule for full/non-curtailed load was priced higher than the RT Imbalance, causing a deficit between DA and RT costs.

The graph below shows the LMPs during the specific DSGS program hours on the given days. In instance where the gray line (RT) is lower than the orange (DA), we expect to see an increase to load costs page on these adjusted calculations.



Power & Water Resources Pooling Authority
Resolution 23-06-05

AGGREGATION SERVICES AGREEMENT – EXHIBIT E VERSION 10

WHEREAS, Aggregation Services Agreement (“ASA”) Exhibit E describes the rate methodology and cost allocation principles associated with PWRPA’s provision of electric services to the Project Participants, and describes a process by which each Project Participant’s actual cost of service is annually reconciled with revenue collected from such Project Participant through pro forma rates (including any inter-period rate adjustment); and

WHEREAS, a comprehensive amendment to the ASA Exhibit E was approved by Resolution 20-10-19, which among other things, included “a consistent cost and benefit allocation methodology across all power resources, both physical and financial” whereby each “Participant shall pay all costs and receive all benefits for each Specific Project according to the Project participation shares in each Project;” and

WHEREAS, in the summer of 2022, PWRPA participated in the Demand Side Grid Support Program implemented by the California Energy Commission whereby certain of PWRPA’s customers provided demand response services to the State of California; and

WHEREAS, PWRPA received compensation from the State participating and also incurred operational costs for scheduling and administrative tasks.

NOW, THEREFORE, BE IT RESOLVED that the PWRPA Board of Directors hereby:

1. Approves the amendment to ASA Exhibit E, Section VI Cost Allocation Algorithms, Subsection I Load Costs, as shown here in italics:
 1. Cost Allocation: Participant hourly Energy.
 2. Costs include all day-ahead and real-time energy, congestion, and loss charges.
 3. *Demand Response programs will use a combination of Participant hourly energy and Participant load forecast for Cost Allocation.*
2. Authorizes this Resolution to have an Effective Date of January 1, 2023, thereby, being applicable to the demand response cost allocations in the 2022 Annual Reconciliation.
3. Directs the General Counsel to prepare a conformed blackline full copy of Exhibit E signified as Version 10 and attach it to the official version of this Resolution.

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Power & Water Resources Pooling Authority
Resolution 23-06-05

PASSED AND ADOPTED by the PWRPA this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo WD, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County WA, The West Side ID, West Stanislaus ID, Westlands WD, Zone 7 WA (100.0% voting shares)
NOES	None
ABSENT	None

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.E

1. Resolution 23-06-06 2022 *Power Source Disclosure.*

Power and Water Resources Pooling Authority

June 7, 2023, Regular Board Meeting

Agenda Item 6.E. Power Source Disclosure and Zero Carbon Portfolio Transfer

Action Required

Review and approve the Base Resource carbon-free attribute allocation for implementing PWRPA's zero-carbon water power portfolio. Review and approve the power source disclosure portfolios.

Issue Description

The calculation of an equitable price for a carbon-free attribute is dependent upon the emission factor used for unspecified power in California. In 2022, the PWRPA Board determined that the transfer price for 2022 carbon-free attributes is \$5.70 per MWh.

Discussion

The carbon-exposed load calculated on an energy basis and total transfer credits / costs for the transferees are shown below.

Participant	Carbon-exposed load	Seller BR Available MWh	Seller BR Allocation MWh	Carbon Transfer Credit / (Cost)
Arvin		14,841	10,683	\$ 60,935.13
Banta Carbona		1,858	1,337	\$ 7,627.49
Cawelo		864	622	\$ 3,545.87
Glenn-Colusa		1,524	1,097	\$ 6,259.45
James		348	250	\$ 1,428.68
Lower Tule		455	327	\$ 1,867.70
Princeton		49	35	\$ 200.78
RD 108		300	216	\$ 1,233.04
Santa Clara	12,755			\$ (72,751.25)
Sonoma	19,717			\$ (112,462.22)
West Stan		2,622	1,887	\$ 10,766.11
Westlands		30,038	21,623	\$ 123,334.14
Byron Bethany ID		924	665	\$ 3,793.81
Zone 7	6,273			\$ (35,778.73)
PWRPA	38,744	53,822	38,744	\$ 0.00

Power & Water Resources Pooling Authority
Resolution 23-06-06

ANNUAL POWER SOURCE DISCLOSURE FOR 2022

WHEREAS, Title 20 of the California Code of Regulations, Section 1394, requires that each Retail Supplier shall submit provide a separate annual report to the California Energy Commission containing the power source information for each electricity portfolio offered the previous calendar year, in accordance with the methodology described in Section 1393; and

WHEREAS, Retail Suppliers must submit this information on the Annual Report forms provided by the California Energy Commission; and

WHEREAS, the Power & Water Resources Pooling Authority (“PWRPA”) is a Retail Supplier in accordance with Power Source Disclosure regulations; and

WHEREAS, PWRPA offered two separate electricity portfolios to its retail customers in 2022.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves and ratifies the 2022 Power Source Disclosure form for Zero Carbon Water Portfolio, appended hereto in Attachment A.
2. Approves and ratifies the 2022 Power Source Disclosure form for Standard Water Portfolio, appended hereto in Attachment B.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

ATTACHMENT A
to
RESOLUTION 23-06-06

2022 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2022
POWER & WATER RESOURCES POOLING AUTHORITY
ZERO CARBON WATER PORTFOLIO

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	23,326	36.1%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	205	0.3%
Solar	23,121	35.8%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	41,302	63.9%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
Total	64,628	100.0%

Total Retail Sales (MWh)	64,628
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GHG Emissions Intensity (converted to lbs CO₂e/MWh)	-
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Percentage of Retail Sales Covered by Retired Unbundled RECs	0.0%
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ATTACHMENT B
to
RESOLUTION 23-06-06

**2022 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2022
POWER & WATER RESOURCES POOLING AUTHORITY
STANDARD WATER PORTFOLIO**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	105,808	25.8%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	4,502	1.1%
Solar	101,306	24.7%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	15,078	3.7%
Natural gas	22,419	5.5%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	266,846	65.1%
Total	410,151	100.0%

Total Retail Sales (MWh)	410,151
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GHG Emissions Intensity (converted to lbs CO₂e/MWh)	660
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Percentage of Retail Sales Covered by Retired Unbundled RECs	0.9%
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**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.F

1. Resolution 23-06-07 *WAPA Annual O&M Obligation for 2025.*



Department of Energy
Western Area Power Administration
Sierra Nevada Region
114 Parkshore Drive
Folsom, CA 95630-4710

Sent via E-Mail

Mr. Bruce McLaughlin
General Manager
Power and Water Resources Pooling Authority
3514 West Lehman Road
Tracy, CA 95304-9336

Dear Mr. McLaughlin:

Enclosed for your signature is one original of Exhibit C, Revision 25, Individual Customer Commitment and Contribution, as part of Contract No. 96-SNR-00110, Agreement for the Funding of Operation and Maintenance (O&M) for Central Valley Project Power Facilities. Exhibit C, Revision 25, shows your proposed contribution funding amount for fiscal year (FY) 2025.

On February 16, 2023, the O&M Funding Governance Board approved the FY 2025 Preliminary Customer O&M Funding Plan in the amount of \$57,250,000. To establish Power and Resources Pooling Authority's Contribution commitments under Exhibit C, Revision 25, please:

- Enter the Contribution dollar amounts you agree to make under Column 6 on the enclosed Exhibit C original;
- Electronically sign and date the enclosed Exhibit C original; and
- Email the electronically signed original to Mr. Joshua Blake at jblake@wapa.gov at this office by July 1, 2023.

One authenticated copy of Exhibit C, Revision 25, executed by all O&M Funding Plan customers, will be provided to you. If you have any questions, please contact Ms. Jeanne Haas at (916) 353-4438.

Sincerely,

Jonathan Aust
Acting Senior Vice President and
Sierra Nevada Regional Manager

Enclosure

**Power & Water Resources Pooling Authority
Resolution 23-06-07**

WAPA ANNUAL O&M OBLIGATION FOR 2025

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) provides electric service to its customers under specified terms and conditions; and

WHEREAS, PWRPA must annually make an Individual Customer Commitment and Contribution, as part of Contract No. 96-SNR-00110, Agreement for the Funding of Operation and Maintenance (O&M) for Central Valley Project Power Facilities; and

WHEREAS, the O&M Funding Governance Board approved the Preliminary Customer O&M Funding Plan for the fiscal year (FY) 2025 in the amount of \$57,250,000; and

WHEREAS, Exhibit C, Revision 25, lists PWRPA’s minimum and Fair-Share Funding Level amounts as \$600,467.85 and \$4,666,013.71, respectively.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves the Contribution commitment for Fiscal Year 2025 as shown in Column 6 of Exhibit C, Revision 25, appended hereto as Exhibit A.
2. Directs the Chairman to complete, electronically sign, date and return the Exhibit C to the Western Area Power Administration.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

ATTACHMENT A
to
RESOLUTION 23-06-07

EXHIBIT C
 (Individual Customer Commitment and Contribution)

1. This Exhibit C, Revision 25, to be effective under and as a part of Contract 96-SNR-00110 (Agreement), shall become effective upon execution; and shall remain in effect until either superseded by another Exhibit C or termination of the Contract.
2. The Power and Water Resources Pooling Authority agrees to make a Contribution pursuant to Section 8 of the Agreement for the Fiscal Years (FY) and in the amounts specified in Column 6 of the table in Section 3 below.
3. Please specify your Contribution commitment level in Column 6.

	Column 2	Column 3	Column 4	Column 5	Column 6
FY	Fair-Share Funding Amount	Minimum Funding Amount ¹	Revision 24-1 Contribution Commitment Level Amount	Proposed Revision 25 Contribution Commitment Level Amount	Revision 25 Contribution Commitment Level Amount
2022	\$3,528,096.31	\$516,204.96	\$3,528,096.31	n/a	\$3,528,096.31
2023	\$4,490,629.32	\$538,198.52	\$4,490,629.32	n/a	\$4,490,629.32
2024	\$4,595,247.42	\$517,425.07	\$4,595,247.42	n/a	\$4,595,247.42
2025	\$4,666,013.71	\$600,467.85	n/a	\$4,666,013.71	

4. Fair-Share Funding Level amounts and Contribution commitment amounts, if any, are not shown for FYs prior to FY 2022 in the above table. For that information refer to an earlier revision of Exhibit C.

5. Electronic Signatures: This Exhibit C, Revision 25 may be executed by handwritten signature or digitally signed using Adobe Sign, Adobe E-Signature, or DocuSign. An electronic or digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

The signature below commits the Customer named to make Contributions in the amounts shown in the above table, but not greater than the amount indicated in the latest revision of the Contribution commitment level for a specific FY.

¹ To participate on the Governance Board, a Customer must contribute at least 1/12th of its share of the estimated annual O&M cost for the FY that is four (4) years out from the current FY. This minimum amount is set forth in Column 3 of this Exhibit.

POWER AND WATER RESOURCES
POOLING AUTHORITY

Attest

By: _____
Title: _____

By: _____
Name: _____
Title: _____
Address: _____
Date: _____

Power & Water Resources Pooling Authority

Regular Agenda • Item 6.G

1. Resolution 23-06-08 *Mandatory Triennial Revision of Wildfire Mitigation Plan.*

Power & Water Resources Pooling Authority
Resolution 23-06-08

WILDFIRE MITIGATION PLAN: 2023 TRIENNIAL REVISION COMMITTEE

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) provides electric service to its customers, known as “Project Participants,” under specified terms and conditions); and

WHEREAS, Section 5.1 of the ASA provides that PWRPA's Board of Directors ("Board") shall be the local regulatory authority with respect to matters related to implementing PWRPA's operation as an electric utility; and

WHEREAS, Public Utilities Code Section 8387 requires that every publicly-owned electric utility shall, before January 1, 2020, prepare a Wildfire Mitigation Plan (“WMP”) and make annual updates thereafter; and

WHEREAS, the General Manager shall work with certain designated Project Participants and an independent evaluator to prepare the 2023 Triennial Revision in accordance with statutory criteria.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Establishes the PWRPA Wildfire Mitigation Committee (“WMC”) which shall be composed of five members including the General Manager and one representative from each of the four Project Participants utilizing PWRPA-owned distribution facilities.
2. Delegates full authority to the WMC for preparing, evaluating, approving and submitting the 2023 Triennial Revision to the California Wildfire Safety Advisory Board.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 7.A

1. Resolution 23-06-09 *Success Small Hydro Power Purchase Agreement.*

**Power & Water Resources Pooling Authority
Resolution 23-06-09**

RENEWABLE ENERGY PURCHASE AGREEMENT

The Power and Water Resources Pooling Authority (“PWRPA”) provides electric service to its customers, known as “Project Participants,” under terms and conditions specified in the Aggregation Services Agreement (“ASA”); and

WHEREAS, Lower Tule River Irrigation District (“LTRID”) is a Project Participant and owns a small hydroelectric facility that is a CEC-certified eligible renewable energy resource; and

WHEREAS, PWRPA desires to enter into a short-term power purchase agreement with LTRID for the full output.

NOW, THEREFORE, BE IT RESOLVED that the Pooling Authority Board of Directors hereby:

1. Authorizes the Chair, or his designee, to execute and implement a Renewable Energy Purchase Agreement with LTRID according to the rates, terms, and conditions substantially similar to those set forth in Attachment A, subject to the prior approval of General Counsel as to the form of the final, executable version.

PASSED AND ADOPTED by the PWRPA Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton / Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 WA (100.0% Voting Shares)
NOES	None
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**ATTACHMENT A
to
RESOLUTION 23-06-09**

RENEWABLE ENERGY PURCHASE AGREEMENT
between
LOWER TULE RIVER IRRIGATION DISTRICT
and
POWER AND WATER RESOURCES POOLING AUTHORITY

This **RENEWABLE ENERGY PURCHASE AGREEMENT** (“Agreement”), dated June XX, 2023 (“Effective Date”), is entered into by and between the **LOWER TULE RIVER IRRIGATION DISTRICT**, a California Irrigation District (“Lower Tule River”), and the **POWER AND WATER RESOURCES POOLING AUTHORITY**, a California joint powers authority (“PWRPA”). Capitalized terms contained herein shall have the meanings specified in Exhibit A.

- RECITALS -

A. Lower Tule River owns and operates the Success Power Project (“Project”) located at 29332 Highway 190, Porterville, CA, as described more fully in Exhibit B. The Project consists of a nominal, instantaneous net electrical output of approximately 1.488 MW.

B. PWRPA is a public agency duly organized and existing pursuant to the California Government Code relating to the joint exercise of powers, and possesses those powers that are common among the parties to a Joint Powers Agreement, dated January 22, 2004, including the authority to provide wholesale and retail electric service.

C. The Project has been certified by the California Energy Commission (“CEC”) (CEC Plant ID H0503) as being an Eligible Renewable Energy Resource, as such term is defined in California Public Utilities Code Section 399.12(e), and energy generated from the Project qualifies under the requirements of the California Renewables Portfolio Standard.

D. The Parties wish to enter into this Agreement for the sale and documentation of Capacity, Energy, Environmental Attributes, and Resource Adequacy Benefits associated with the Project.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and of other good and valuable consideration, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
CONTRACT DOCUMENTS

1.1 Documents Included. This Agreement consists of this document and the following exhibits which are specifically incorporated herein and made a part hereof by this reference:

Exhibit A -	Definitions
Exhibit B -	Description of the Project

1.2 Definitions. Terms in this Agreement that are initially capitalized and included in Exhibit A shall have the meaning stated in Exhibit A.

1.3 Conflict with Exhibits. In the event of a conflict between the terms of this document and the terms of one or more of the exhibits, the terms of this document shall control. In the event of any conflict among the exhibits, the exhibit of latest date mutually agreed upon by the Parties shall control.

1.4 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the Parties with respect to the purchase and sale of the Electrical Output. No other representations are intended or shall be implied. Any prior contemporaneous correspondence, memoranda, or agreements, whether oral or written, which are in conflict with this Agreement are intended to be replaced in total by this Agreement and the exhibits to this Agreement. The Parties warrant and represent that there are no oral promises, representations, or agreements not contained in this Agreement.

ARTICLE 2 TERM AND DELIVERY DATE

2.1 Effective Date; Delivery Term. This Agreement shall be effective on the Effective Date and the Delivery Term shall commence on the Delivery Date and continue for 8 months **after the Delivery Date** unless terminated earlier pursuant to Article 8.

2.2 Delivery Date. Lower Tule River shall give PWRPA not less than fifteen (15) Business Days prior written notice that the Project will be available to produce Electrical Output on the date indicated in such notice (such date, the “Delivery Date”).

ARTICLE 3 PURCHASE AND SALE OF ELECTRICAL OUTPUT

3.1 Purchase and Sale of Electrical Output.

3.1.1 General. In accordance with the terms and conditions of this Agreement, Lower Tule River shall sell and deliver at the Delivery Point, and PWRPA shall purchase and accept from Lower Tule River at the Delivery Point the Electrical Output of the Project produced during the Delivery Term, including Capacity, Energy, Environmental Attributes and Resource Adequacy Benefits associated with the Project. Except as specifically stated otherwise, Electrical Output shall mean the net amount of electrical output delivered at the Delivery Point as measured in megawatt hours (“MWh”), net of all losses, including but not necessarily limited to any transformation or electric system losses from the Project to the Delivery Point. Lower Tule River has represented and disclosed to PWRPA that the project produces Electrical Output only when sufficient water resources are available to operate the Project, and that sufficient water resources are frequently not available or are available in reduced quantities such that maximum Electrical Output is not regularly achieved. Lower Tule makes no warranty or guarantee as to the frequency or quantity of Electrical Output, other than the maximums and capacities as stated herein.

3.1.2 Delivery Point. The Electrical Output sold to PWRPA under this Agreement shall be delivered to PWRPA at the Delivery Point. Title to and risk of loss associated with the Electrical Output shall pass from Lower Tule River to PWRPA at the Delivery Point.

3.1.3 Capacity; Resource Adequacy. Lower Tule River hereby grants, pledges, assigns and otherwise commits to PWRPA the full Capacity of the Project during the Delivery Term for the purpose, among other things, (a) of satisfying any Resource Adequacy Requirement that may be applicable to PWRPA or (b) of obtaining Congestion Hedging Rights from any applicable authority for use during the Delivery Term; provided, however, Lower Tule River shall not be required to provide PWRPA with any ancillary services that may be associated with the sale of Capacity, including but not

necessarily limited to black start capability, reactive power, spinning reserves or regulation. Lower Tule River represents, warrants and covenants to PWRPA that Lower Tule River will not, during the Delivery Term, use, grant, pledge assign or otherwise commit, any portion of the Project to meet the Resource Adequacy Requirements of, or to confer Resource Adequacy Benefits upon, any entity other than PWRPA. The Parties shall take all actions (including, without limitation, amending this Agreement) and execute all documents or instruments as may be reasonably necessary or advisable to effectuate the use of the Resource Adequacy Benefits of the Project for PWRPA's sole benefit throughout the Delivery Term.

3.2 Purchase and Sale of Environmental Attributes.

3.2.1 General. Lower Tule River shall deliver and PWRPA shall receive all rights, title, and interest in and to all Environmental Attributes associated with the Electrical Output.

3.2.1.1 Environmental Attributes Exceptions. If the Project receives any tradable interest based on the greenhouse gas reduction benefits attributed to the use of hydroelectric generation in the production of Energy from the Project, those benefits shall accrue to Lower Tule River, for the exclusive use by Lower Tule River, if and only to the extent that PWRPA does not have to demonstrate or otherwise offset, reduce or eliminate greenhouse gas emissions from the project its self. Lower Tule River shall provide PWRPA, at no expense to PWRPA, sufficient rights to such tradable interest so as to ensure that there are zero net emissions of greenhouse gas associated with the production of Energy from the Project. Lower Tule River agrees to deliver to PWRPA all such Environmental Attributes to the fullest extent allowed by applicable law. Lower Tule River warrants that all Environmental Attributes delivered under this Agreement to PWRPA shall be free and clear of all liens, security interests, claims and encumbrances.

3.2.2 Reporting of Ownership of Environmental Attributes. PWRPA will perform all duties to report generation to WREGIS. During the Delivery Term, Lower Tule River shall not report to any person or entity that the Environmental Attributes delivered to PWRPA under this Agreement belong to anyone other than PWRPA, and PWRPA may report under any applicable program that all such Environmental Attributes received under this Agreement belong to PWRPA except as explicitly provided above in Section 3.2.1.

3.2.3 Evidence of Environmental Attributes. Lower Tule River agrees to submit to PWRPA, or an entity designated by PWRPA, documentation, in a form acceptable to PWRPA, evidencing Lower Tule River's delivery to PWRPA of title to Environmental Attributes associated with the Electrical Output. Without limiting the generality of the foregoing and only as may be reasonably necessary or advisable, Lower Tule River shall be responsible for complying, at its own expense, with requests for information associated with WREGIS and/or any other entity, if any, that PWRPA uses to verify its renewable energy purchases and that requires registration, inspections, certification or other evidence of the capability of the Project to produce Environmental Attributes or evidence of the quality and/or quantity of such Environmental Attributes produced.

3.2.4 Cooperation; Further Assurances. Lower Tule River agrees to cooperate with PWRPA to the fullest extent reasonably necessary, and agrees to take all actions as may be reasonably necessary or advisable to effectuate the use of the Environmental Attributes of the Project for PWRPA's benefit throughout the Delivery Term.

3.3 Sales to Third Parties. During the Delivery Term, Lower Tule River shall not assign, transfer, convey, encumber, sell, or otherwise dispose of all or any portion of the Energy, Capacity, Environmental Attributes, or Resource Adequacy Benefits to any person other than PWRPA except as provided in Section 3.2.1.

ARTICLE 4 METERING, SCHEDULING AND DELIVERIES

4.1 Metering. Lower Tule River shall, at its own expense, provide, own, maintain, test, read and replace all meters and equipment required by the ISO or SCE in order to meter the Electrical Output. Lower Tule River shall comply with all ISO and SCE tariffs and standards applicable to metering. Lower Tule River agrees to cooperate with PWRPA as may be reasonably necessary or advisable in the communication of meter data, including but not necessarily limited to authorizing PWRPA and PWRPA's Scheduling Coordinator to view the Project's ISO on-line meter data and to view all inspection, testing and calibration data and reports. At least once per year or upon reasonable request from PWRPA, Lower Tule River shall test its meters and equipment in accordance with generally accepted electrical practices and the ISO tariff. If Lower Tule River's meters and/or equipment is determined to be inaccurate or if the ISO makes any adjustment to any ISO meter data for a given time period, Lower Tule River agrees that it shall submit revised monthly invoices covering the applicable time period in order to conform fully such revised monthly invoices to the adjusted meter data; provided, however, if the period of inaccuracy cannot be determined, any such adjustment shall be for a period equal to one-half of the time elapsed since the preceding test.

4.2 Scheduling.

4.2.1 Scheduling Coordinator Services.

4.2.1.2 PWRPA as SC. The Parties mutually agree that PWRPA will act as Scheduling Coordinator for the Project and scheduled under PWRPA's Scheduling Coordinator ID (SCID). Lower Tule River shall be responsible for all CAISO charges assessed by the CAISO pursuant to the then current CAISO settlement charge matrix, including instructed and uninstructed deviations from Schedule and for all costs and charges associated with Lower Tule River's failure to deliver Electrical Output as scheduled or Lower Tule River's failure to abide by the ISO Tariff and associated protocols, as further described in Section 4.3.2.

4.2.2 Contract Capacity; Scheduled Amount. Lower Tule River represents that, under maximum operating conditions, subject to the limitations described in Section 3.1.1, the Project can deliver 1.4 MW, as measured at the Delivery Point ("Contract Capacity"). Consistent with the protocol established in accordance with Section 4.2.3, Lower Tule River shall specify the amount of Electrical Output that may be scheduled by PWRPA, after taking into consideration any derating of Contract Capacity due to Scheduled Outages.

4.2.2.1 Annual Capacity Report. For the purpose of forecasting Resource Adequacy Benefits, Lower Tule River shall submit to PWRPA a forecast of the maximum available capacity for the project by month.

4.2.2.2 Prudent Utility Practice. Lower Tule River shall operate, maintain, and repair the Facility in accordance with this Agreement, all requirements of law applicable to Lower Tule River or the Facility, contractual obligations, permits and in accordance with Prudent Utility Practice, including with respect to efforts to maintain availability of the Contract Capacity. Prudent Utility Practice means those practices, methods, and equipment, as changed from time to time, that: (i) when engaged in are commonly used in the United States of America in prudent electrical engineering and operations to operate hydroelectric generation equipment and related electrical equipment lawfully and with safety, reliability, efficiency and expedition; or (ii) in the exercise of reasonable judgment considering the facts

known, when engaged in could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition.

4.2.3 Scheduling Protocol. In consultation with LTRID Operations staff and PWRPA's Scheduling Coordinator, the Parties shall establish and deliver to day-ahead and hour-ahead scheduling protocols. The scheduling protocols shall generally conform to regional scheduling practices and applicable requirements of the ISO or PG&E.

4.2.4 Scheduled Outages. Lower Tule River shall submit to PWRPA Lower Tule River's schedule for the remaining year of outages that are reasonably required or advisable in order to adhere to the manufacturers' recommendation for service and overhaul of the Project's equipment, including electrical transformation ("Scheduled Outage"). Lower Tule River shall notify PWRPA of any outage not previously scheduled as soon as reasonably practicable after the condition becomes known to Lower Tule River, and shall comply with all outage coordination protocols established by the ISO.

4.2.5 Forced Outages. Lower Tule River shall promptly notify PWRPA of any Forced Outage of the Project, which such notice shall include, at a minimum, the amount of generation capability that will not be available because of the Forced Outage, the time at which the Forced Outage began, and the expected return date and time of such generation capability.

4.2.6 Ordered Curtailments. Lower Tule River shall reduce the Project's Electrical Output if notified to do so by the ISO or, as applicable, PWRPA's Scheduling Coordinator for system emergencies or other system conditions requiring the curtailment of deliveries.

4.3 Deliveries

4.3.1 Transmission and Delivery Services. Lower Tule River shall arrange and be responsible for transmission and delivery services, including risk of transmission curtailment and transmission losses, from the ISO Meter to the Delivery Point. PWRPA shall arrange and be responsible for transmission and delivery services, including risk of transmission curtailment and transmission losses, from the Delivery Point.

4.3.2 Imbalance and Other Charges. Lower Tule River shall be responsible for all costs and charges associated with Lower Tule River's failure to deliver Electrical Output as scheduled or Lower Tule River's failure to abide by the ISO Tariff and associated protocols, including charges PWRPA's Scheduling Coordinator receives from the ISO due to negative imbalance energy associated with scheduling Electrical Output, regardless of the cause thereof; provided, however, Lower Tule River may offset against its negative imbalance energy payment obligation any positive imbalance energy payments occurring within the same billing period.

ARTICLE 5 PRICING AND PAYMENT

5.1 Contract Rate. The contract price for all Electrical Output actually delivered to PWRPA under this Agreement at the Delivery Point, net of all applicable losses and adjustments, shall be [REDACTED] per MWh ("Contract Rate"). Other rates terms for ISO adjustments, scheduling costs and delivery expenses, as agreed to by Lower Tule River and PWRPA, shall be described in a separate rate agreement.

5.2 Billing Period and Invoices. The accounting and billing period for transactions under this Agreement shall be 1 calendar month. On a monthly basis, Lower Tule River shall deliver a Power Invoice to PWRPA, either manually or through ACH. Such monthly Power Invoice shall state (i) the

amount of Energy produced by the System and delivered to the Delivery Point, (ii) the Contract Rate under this Agreement, (iii) all CAISO settlement amounts, (iv) PWRPA's admin fee and (v) and the total amount due.

5.3 Payment. As soon as practicable after receipt of the Power Invoice from Lower Tule River, PWRPA shall prepare a Reconciliation Invoice internal to the PWRPA billing systems that will be used to augment or offset the total amount shown in the Power Invoice. PWRPA shall pay Lower Tule River the reconciled amount on or before the 20th day following receipt of the Power Invoice ("Due Date").

5.4 Offset for Scheduling Coordination Charges. In addition to other payment offsets that PWRPA may be entitled to under this Agreement, PWRPA may, with accompanying written documentation and description, offset against payments owing under this Agreement all costs imposed upon PWRPA in connection with charges for which Lower Tule River is responsible, as described in Sections 4.2.1 and 4.3.2.

5.6 Late Payments. Any amounts not paid by the due date shall be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the Due Date to but excluding the date the delinquent amount is paid in full.

5.7 Disputes and Adjustments of Invoices. Either Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for the arithmetic or computational error. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the disputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within 5 business days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid.

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 General. As of the Effective Date, each Party represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing under the laws of the State of California;

(b) it has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof;

(c) it has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein;

(d) the execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on the Party or any valid order of any court, or any regulatory agency or other body having authority to which the Party is subject; and

(e) this Agreement is a valid and legally binding obligation of the Party, enforceable against the Party in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

6.2 Renewable Energy. Lower Tule River represents, warrants and covenants that as of the Effective Date and continuing through the Delivery Term:

(a) the Project qualifies and is certified by the California Energy Commission (CEC-RPS-ID **H0503**) as being an "Eligible Renewable Energy Resource" as defined in Section 399.12(e) of the California Public Utilities Code and is otherwise eligible to be counted towards meeting applicable Renewables Portfolio Standard procurement requirements; and

(b) the Electrical Output of the Project, including the Environmental Attributes, will be available for PWRPA's exclusive use.

6.3 PWRPA recognizes and acknowledges Lower Tule River's representations regarding availability of Electrical Output as described in section 3.1.1 above, and accepts Lower Tule River's disclaimer of warranty or guarantee regarding such Electrical Output as stated in that section.

ARTICLE 7 FORCE MAJEURE

7.1 General. As used in this Agreement, "Force Majeure Event" means any event that was not anticipated to occur during the contract term as of the Effective Date that (a) in whole or in part, delays a Party's performance under this Agreement, causes a Party to be unable to perform its obligations, or prevents a Party from complying with or satisfying the conditions of this Agreement; (b) is not within the control of that Party; and (c) the Party has been unable to overcome by the exercise of due diligence. "Force Majeure Event" may include, but is not limited to, an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, or sabotage. Without limiting the generality of the foregoing, a Force Majeure Event shall specifically include a reduction in the Project's Electrical Output if Lower Tule River is notified to do so by the ISO or, as applicable, PWRPA's Scheduling Coordinator for system emergencies or other system conditions requiring the curtailment of deliveries, as described in Section 4.2.6. A Force Majeure Event shall not be based on: (i) PWRPA's inability economically to use or resell the Electrical Output purchased under this Agreement; (ii) Lower Tule River's ability to sell the Electrical Output at a price greater than the price set forth in this Agreement, or (iii) any equipment failure not caused by a Force Majeure Event.

7.2 Notice. As soon as reasonably practicable following the commencement of a Force Majeure Event, the non-performing Party shall provide the other Party oral notice of the Force Majeure Event. The non-performing Party shall also provide written notice to the other Party as soon as reasonably practicable following the commencement of a Force Majeure Event, but in no event later than 2 weeks after the commencement of a Force Majeure Event, which written notice shall be in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely notice constitutes a waiver of a Force Majeure claim.

7.3 Suspension of Performance. If either Party is prevented by a Force Majeure Event from

carrying out, in whole or part, its obligation under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure Event to the other Party as soon as reasonably practicable, then the Claiming Party shall be excused from the performance of its obligations (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure Event). The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

ARTICLE 8 TERMINATION

8.1 Termination for Convenience. Either Party may terminate this Agreement for any reason or no reason by providing the other Party a minimum of 1 month’s advance written notice

8.2 Termination for Cause. The non-defaulting Party may terminate this Agreement for an uncured Event of Default, as described in Article 9.

8.3 Notice of Termination; Close-out. Any termination under this Agreement shall be effected by delivery of a written notice of termination specifying the basis for termination and the date upon which the termination shall become effective. Following termination of this Agreement, each Party shall (a) as applicable, render to the other Party a final invoice for the payment obligations of the other Party, if any, incurred up to the termination date and (b) in good faith and to the best of its ability, do all things necessary and proper to ensure the efficient, proper close-out of this Agreement.

ARTICLE 9 EVENTS OF DEFAULT

9.1 Events of Default. Each of the following shall constitute an “Event of Default” under this Agreement:

- (a) Failure of a Party to perform any material duty imposed upon that Party by this Agreement in any material respect;
- (b) Failure to achieve the Delivery Date by April 1, 2014, as described in Section 2.2, in which case PWRPA shall be considered the non-defaulting Party for purposes of this Article 9;
- (c) Filing of a petition in bankruptcy by or against a Party if such petition is not withdrawn or dismissed within 60 days after it is filed;
- (d) Assignment by a Party for the benefit of creditors; and
- (e) Allowance by a Party of the appointment of a receiver or trustee of all or any part of its property if such receiver or trustee is not discharged within 60 days after his appointment;

9.2 Notice of Default. The non-defaulting Party shall have the right to give the defaulting Party a written notice of default, which shall describe the default in reasonable detail and state the date by which the default must be cured (“Notice of Default”).

9.3 Opportunity to Cure. Except in the case of a default described in Section 9.1(a), there will be no cure period and no opportunity to cure. In the case of a default described in Section 9.1(a), the default must be cured (except to the extent provided below) within 30 days after receipt of the Notice of

Default. If within the thirty 30-day period described in the preceding sentence, the defaulting Party cures the default, or if the failure is one (other than the failure to make payments or to post credit support) that cannot in good faith be corrected within such period and the defaulting Party begins to correct the default within the applicable period and continues corrective efforts with reasonable diligence until a cure is effected, the Notice of Default shall be inoperative, and the defaulting Party shall lose no rights under this Agreement; provided, however, that such extended cure period shall not exceed 120 days after receipt of the Notice of Default. If, within the specified applicable periods, the defaulting Party does not cure the default as provided above, the non-defaulting Party may exercise the remedies contemplated by Section 9.4.

9.4 Rights Upon Default. Upon providing notice, and upon expiration of any applicable cure period provided in Section 9.3 without a cure of the default, the non-defaulting Party shall have the right (but not the duty) to terminate this Agreement by giving written notice to the defaulting Party. Each and every power and remedy given to the non-defaulting Party (a) shall be in addition to every other power and remedy now or hereafter available to the non-defaulting Party at law or in equity (including the right to specific performance), (b) may be exercised from time to time and as often and in such order as may be deemed expedient, and (c) shall be cumulative, so that the exercise of one power or remedy shall not waive the right to exercise any other or others. No delay or omission in the exercise of any power or remedy and no renewal or extension of any performance due under this Agreement shall impair any such power or remedy or waive any default. Notwithstanding any termination of this Agreement, all financial obligations that have accrued under this Agreement shall remain until paid.

ARTICLE 10 LIMITS OF LIABILITY AND INDEMNITY

10.1 LIMITATION OF LIABILITY. NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON CONTRACT OR TORT (INCLUDING SUCH PARTY'S OWN NEGLIGENCE) AND INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF PURCHASED POWER, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF LOWER TULE RIVER OR OF PWRPA FOR SUCH DAMAGES. THIS PROVISION IS NOT INTENDED TO LIMIT THE RIGHT OF EITHER PARTY TO OBTAIN COVER DAMAGES FOR BREACH OF THIS AGREEMENT.

10.2 Indemnity. Lower Tule River and PWRPA, respectively, as indemnitor will indemnify the other as indemnitee, and save it harmless from any and all loss, damage, expense and liability resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage, to or destruction of property, including but not limited to the property of either Party hereto, arising out of or in any way connected with the performance of this Agreement or of any operations or activities provided for hereunder by indemnitor, its agents or employees, excepting only such injury, death, damage or destruction as may be caused by the sole negligence or willful misconduct of the indemnitee, its agents or employees. Indemnitor shall, upon indemnitee's request, defend at its sole cost and expense any suit asserting a claim covered by this indemnity. It is the intent of the Parties hereto that, where negligence is determined to have been contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence.

ARTICLE 11 NOTICES

Any and all notices, demands or other communications required or permitted to be given to a Party under this Agreement (any of which, for purposes of this provision, a "Notice") shall be validly given if served in writing either personally, by facsimile, by deposit in the United States mail, first class postage prepaid, or by a recognized courier service to any address in the United States or Canada. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt; (ii) by mail shall be conclusively deemed given forty-eight (48) hours after the deposit thereof; and (iii) by facsimile, upon receipt by sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety and received at the recipient's facsimile number. All Notices shall be addressed as follows:

If delivered to **Lower Tule River:** Lower Tule River Irrigation District
357 E. Olive Avenue
Tipton CA 93272
Attention: General Manager
Tel: (559) 686-4716

With a copy to: Alex M. Peltzer
General Counsel
3746 W. Mineral King Ave
Visalia, CA 932912

Tel: (559) 372-2400

If delivered to **PWRPA:** Power and Water Resources Pooling Authority
3514 West Lehman Road
Tracy, CA 95304
Attention: General Manager

Tel: (916) 531-5566
Fax: (209) 835-2009

With a copy to: Cori Bradley
Robertson-Bryan, Inc.
3100 Zinfandel Drive, Suite 300
Rancho Cordova, CA 95670

Tel: (916) 600-3443

Any party may change its Notice address or may designate additional parties to receive Notices by written notice given in the manner provided herein.

ARTICLE 12 MISCELLANEOUS

12.1 Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed in accordance with the laws of the State of California.

12.2 Modifications. This Agreement may not be altered in whole or in part except by a written modification executed by all the Parties to this Agreement.

12.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective purchasers, successors, heirs, and assigns.

12.4 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and shall remain enforceable.

12.5 Construction and Interpretation. It is acknowledged and agreed that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the proposed terms of this Agreement. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing and interpreting this Agreement.

12.6 Audit and Access Rights. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary or advisable to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. PWRPA, its authorized agents, employees and inspectors, has the right of ingress to and egress from the Facility on reasonable advance notice for any purpose reasonably connected with this Agreement, including but not necessarily limited to inspection of the Project in connection with any outage.

12.7 No Partnerships or Joint Ventures. Nothing herein contained shall be construed to make the Parties partners or joint venturers or to make PWRPA liable for any obligations incurred by Lower Tule River in the conduct of its business.

12.8 No Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and their permitted successors and assigns, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement.

12.9 Legal Costs. In the event that a Party exercises any right or remedy provided for in this Agreement with respect to this Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement, the losing Party shall pay all costs and expenses incurred by the prevailing Party in connection with such action, including, but not limited to, reasonable attorneys' fees of counsel selected by the prevailing Party. Notwithstanding any provision of this Agreement to the contrary, the obligations of the Parties under this Section 12.7 shall survive termination of this Agreement.

12.10 No Waiver. Any failure of a Party to enforce any of the provisions of this Agreement or to require compliance with any of its terms at any time during the pendency of this Agreement, shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the right of such Party thereafter to enforce each and every such provision. Any consent or approval given pursuant to this Agreement shall be limited to its express terms and shall not otherwise increase the obligations of the Party giving such consent or approval or otherwise reduce the obligations of the Party receiving such consent or approval.

12.11 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

12.12 Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**ARTICLE 13
SIGNATURES**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives as of the Effective Date.

“PWRPA”

Power and Water Resources Pooling Authority,
a California joint powers authority

By: _____

Name: _____

Title: _____

“Lower Tule River”

Lower Tule River Irrigation District,
a California public agency

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM FOR LOWER TULE
RIVER:

General Counsel

**Exhibit A
to the
Renewable Energy Purchase Agreement**

- DEFINITIONS -

“Admin Fee” PWRPA’s monthly charges for performing scheduling, settlement, and reporting related to the Electrical Output.

“Agreement” means this Renewable Energy Purchase Agreement between Lower Tule River and PWRPA.

“Annual Capacity Factor” means the factor having as its numerator (a) the Electrical Output, measured in MWh, metered and delivered to PWRPA at the Delivery Point (including deemed MWh associated with any failure by PWRPA to receive Electrical Output as scheduled) and having as its denominator (b) the product of (i) Contract Capacity and (ii) the number of hours in the year (excluding any hours associated with Force Majeure Events).

“Capacity” means the ability of a generator at any given time to produce Energy at a specified rate as measured in megawatts or kilowatts.

“Capacity Attribute” means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of Energy that the Facility can generate and deliver to the Delivery Point at a particular moment, or any other Facility electric generating capability, that can be purchased and sold under CAISO market rules, including Resource Adequacy Benefits. Capacity Attributes shall also include all rights to provide, and all benefits related to, the provision of Ancillary Services (as defined in the CAISO Tariff) and, subject to Section 3.8(c), reactive power.

“CEC Certification and Verification” means that the CEC has certified (or, with respect to periods before the date that is up to 180 days after the Commercial Operation Date, that the CEC has pre-certified) that the Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard, meeting all applicable requirements for certified facilities set forth in the RPS Eligibility Guidebook, Ninth Edition (or its successor), and that all Energy generated by the Facility and delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

“Congestion Hedging Rights” means rights, or rights to revenues, allocated for the purpose of hedging congestion risk or compensating for congestion costs or for congestion relief, such as congestion revenue rights, firm transmission rights, financial transmission rights, auction revenue rights or any other similar term.

“Contract Year” means the annual period commencing on the Delivery Date (or the anniversary of the Delivery Date) and ending one day before the anniversary of the Delivery Date.

“Delivery Date” has the meaning given in Section 2.2.1.

“Delivery Point” means XXXX.

“Delivery Term” means the period time commencing on the Delivery Date and continuing for 8 months unless terminated earlier pursuant to Article 8.

“Effective Date” means the date of last execution of this Agreement by the Parties, and as shown for convenience in the preamble to this Agreement.

“Electrical Output” means Capacity, Energy, Environmental Attributes and Resource Adequacy Benefits associated with the Project.

“Eligible Renewable Energy Resource” has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

“Energy” means metered electrical energy, measured in MWh, that is generated by the Project.

“Environmental Attributes” means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated that are (a) at any time recognized or deemed of value (or both) by any Buyer, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person, and (b) attributable to (i) generation by the Facility of Energy during the Delivery Term or any Replacement Product required to be delivered by Seller to Buyers during the Delivery Term, and (ii) the emissions or other environmental characteristics of such generation or such Replacement Product or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the “UNFCCC”), the Kyoto Protocol to the UNFCCC, California’s greenhouse gas legislation (including California Assembly Bill 32 (Global Warming Solutions Act of 2006) and any regulations implemented pursuant to that act, including without limitation any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board or any successor regulations thereto), or any similar international, federal, state or local program or crediting “early action” with a view thereto, or laws or regulations involving or administered by the CAMD, and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable Energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Facility Energy.

“Event of Default” has the meaning given in Section 9.1.

“Force Majeure Event” has the meaning given in Article 7.

“Forced Outage” means any outage or reduction in the Capacity of the Project that is not a Scheduled Outage.

“Interest Rate” means the prime rate as published by the Wall Street Journal on the first business day of the month.

“ISO” means the California Independent System Operator Corporation or its successor.

“ISO Tariff” means the ISO operating agreement and tariff, dated December 17, 2013, as modified from time to time.

“ISO Meter” means the meter used by the ISO to determine the amount of Energy produced by the Project for which the ISO shall give credit toward the delivery of any generation schedules from the Project.

“MWh” means megawatt hours.

“Notice” has the meaning given in Article 11.

“Notice of Default” has the meaning given in Section 9.2.

“SCE” means Southern California Edison Company or its successor.

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Project” has the meaning given in Recital A, and is described in Exhibit B.

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

“Renewables Portfolio Standard” or “RPS” means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018), codified in, inter alia, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

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

“Resource Adequacy Requirements” means resource adequacy obligations established by the ISO or another entity and made applicable to PWRPA.

“Scheduled Outage” has the meaning given in Section 4.2.4.

“Scheduling Coordinator” or “SC” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator,” of the CAISO Tariff, as amended from time to time.

“WREGIS” means the Western Renewable Energy Generation Information System, or any successor renewable energy tracking system for implementing California’s Renewables Portfolio Standard.

Exhibit B
to the
Renewable Energy Purchase Agreement
- DESCRIPTION OF THE FACILITY -

Plant Name	Success Power Plant
CEC Plant ID	H0503
EIA Plant ID	10222
Qualifying Facility ID	4208
Plant Location	
Street Address	29332 HWY 190
City	Porterville
County	Tulare
State	California
Zip	93257
Latitude	36 03 36N
Longitude	118 55 15W
Operating Mode	
Interconnection Agreement	
Plant Operator	
Full Legal Name	Lower Tule River Irrigation District
Street Address	357 E Olive Avenue
City	Tipton
State	California
Zip	93272
Nameplate Capacity (MW)	1.4
Number of Generators	1

**Power & Water Resources Pooling
Authority**

Regular Meeting of the Board of Directors

9:00 A.M.
Wednesday, June 7, 2023

SUPPLEMENTAL MATERIALS

**ADD ITEM 6.F.2, if the Board approves according to a vote in
Matters Subsequent to Posting the Agenda.**

INSERT ITEM 6.C, Rate Memorandum.

**REPLACE ITEM 7.A, Amended Resolution and attachment,
Renewable Energy Purchase Agreement.**

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 6.C

Amended June 5, 2023

1. Resolution 23-06-04 *Rate Review and Adjustment.*

Power & Water Resources Pooling Authority
Resolution 23-06-04

RATE REVIEW AND REVISED PRO FORMA RATE SCHEDULE

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) provides aggregated electric services to electric accounts designated by Project Participants that are signatories to the Aggregation Services Agreement (“ASA”); and

WHEREAS, ASA Section 8.1 requires PWRPA to recover costs through rates and charges applicable to Project Participants; and

WHEREAS, ASA Section 8.3 allows the Board, based on principles in Exhibit E to the ASA, to adjust rates as may be required to collect additional operating funds to address shortfalls or to return amounts of any over-collection that may occur due to various factors, including but not limited to seasonal adjustments; and

WHEREAS, Section III A of Exhibit E to the ASA permits Inter-Period adjustments of the pro forma power rates by the Board as may be reasonably required to address shortfalls or over-collections that may occur due to various factors affecting the reserve fund; and

WHEREAS, continuing to collect using the current Pro Forma rates will result in substantial under-collections.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves the Pro Forma Rate schedule and Rate Change Detail for energy shown in Table 4 of the memorandum, appended hereto as Attachment A, to be effective on June 1, 2023.
2. Authorizes this Resolution to take effect immediately upon its adoption.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% Voting Shares)
NOES	None
ABSENT	None

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**ATTACHMENT A
to
RESOLUTION 23-06-04**

THIS DOCUMENTATION TO BE ADDED PRIOR TO THE BOARD MEETING

**Power and Water Resources Pooling Authority
June 6, 2023 Board Meeting**

Action Required

Consider staff recommendation to **change Fixed Power and Energy rates effective June 1, 2023** for certain Districts. These rates are draft and may be updated in advance of presentation to the Board.

Discussion

The Board adopted Dry pro forma rates at the December 2022 board meeting and the year-type is now wet. Staff recommends to change Fixed Power and/or the Energy rates effective June 1 and no update for prior period adjustments for Districts that are over-funded by 10 percent of total costs. The current Pre-Reconciliation report results are:

Table 1: Current Pre-Reconciliation Results

Participant	Revenue	Expenses	Balance	Over/(Under) % of Total Costs
	Power Invoice	Power & Ops Costs	Over/(Under) Funded	
Arvin-Edison	\$ 17,620,128	\$ 15,333,988	\$ 1,814,384	12%
Banta-Carbona	\$ 2,054,523	\$ 1,919,900	\$ 72,214	4%
Cawelo	\$ 2,466,748	\$ 2,121,742	\$ 268,574	13%
Glenn-Colusa	\$ 1,630,595	\$ 1,319,537	\$ 270,567	21%
James	\$ 528,613	\$ 542,626	\$ (30,439)	-6%
Lower Tule	\$ 2,058,892	\$ 1,482,001	\$ 534,654	36%
Princeton	\$ 560,034	\$ 560,080	\$ (16,970)	-3%
RD108	\$ 594,281	\$ 496,666	\$ 80,459	16%
Santa Clara	\$ 4,541,627	\$ 3,754,601	\$ 673,571	18%
Sonoma	\$ 6,660,790	\$ 5,017,866	\$ 1,496,014	30%
West Stan	\$ 2,276,481	\$ 1,547,424	\$ 677,264	44%
Westlands	\$ 14,659,496	\$ 12,720,005	\$ 1,561,586	12%
BBID	\$ 416,818	\$ 387,615	\$ 17,002	4%
Zone 7	\$ 1,724,918	\$ 1,467,584	\$ 213,585	15%
PWRPA	\$ 57,793,945	\$ 48,671,635	\$ 7,632,465	

Districts with a negative cash position (JID and PPCID) will not be considered in this report. The negative amount is not urgent at this time (still contingency funds in budget for Summer). The Districts in green (BCID and BBID) are less than 10 percent over their total costs and will also not be considered for a rate change at this time.

1. Fixed Power

These charges are for Resource Adequacy (RA) costs, Slate Battery, Renewable Energy Credits (REC), Carbon transfer purchases, Lodi Debt service and project overheads. The total annual cost for these items are divided by 12 to collect a fixed amount each month. The cost estimates have come down for some because there have been no use of the RA contingency funds for January – June, and with more BR in the portfolio, less carbon transfers estimated.

Power and Water Resources Pooling Authority

June 6, 2023 Board Meeting

Some Districts have a small increase because the price of RECs has increased. Table 1 summarizes the annual budget and new annual estimates. Table 2 summarizes the monthly fixed collection and Table 3 is revised Fixed Power monthly costs.

Table 2: Annual Fixed Power Cost Summary

Fixed Power	Annual Budget	Annual Update	Change	Jan-May Collection	New Annual Balance
Arvin-Edison	\$ 759,748	\$ 502,099	\$ (257,648)	\$ (316,561)	\$ 185,538
Banta-Carbona					
Cawelo	\$ 380,496	\$ 229,236	\$ (151,260)	\$ (158,540)	\$ 70,696
Glenn-Colusa	\$ 101,473	\$ 83,860	\$ (17,613)	\$ (42,280)	\$ 41,579
James					
Lower Tule	\$ 178,122	\$ 18,565	\$ (159,557)	\$ (74,218)	\$ (55,653)
Princeton					
RD108	\$ 60,543	\$ 40,943	\$ (19,600)	\$ (25,226)	\$ 15,717
Santa Clara	\$ 397,042	\$ 370,075	\$ (26,967)	\$ (165,434)	\$ 204,641
Sonoma	\$ 317,216	\$ 192,095	\$ (125,121)	\$ (132,173)	\$ 59,922
West Stan	\$ 277,270	\$ 201,548	\$ (75,722)	\$ (115,529)	\$ 86,019
Westlands	\$ 1,619,849	\$ 1,352,392	\$ (267,457)	\$ (674,937)	\$ 677,455
BBID					
Zone 7					
TOTAL	\$ 4,091,759	\$ 2,990,813	\$ (1,100,946)	\$ (1,704,900)	\$ 1,285,914

Table 3: Monthly Fixed Power Update

Fixed Power	Budgeted Monthly Collection	Updated Monthly Collection	Change	Proposed New Monthly Collection
Arvin-Edison	\$ 63,312	\$ 26,505	\$ (36,807)	\$ 26,500
Banta-Carbona				
Cawelo	\$ 31,708	\$ 10,099	\$ (21,609)	\$ 10,100
Glenn-Colusa	\$ 8,456	\$ 5,940	\$ (2,516)	\$ 5,900
James				
*Lower Tule	\$ 14,844	\$ (7,950)	\$ (22,794)	\$ -
Princeton				
RD108	\$ 5,045	\$ 2,245	\$ (2,800)	\$ 2,200
Santa Clara	\$ 33,087	\$ 29,234	\$ (3,852)	\$ 29,200
Sonoma	\$ 26,435	\$ 8,560	\$ (17,874)	\$ 8,600
West Stan	\$ 23,106	\$ 12,288	\$ (10,817)	\$ 12,300
Westlands	\$ 134,987	\$ 96,779	\$ (38,208)	\$ 96,800
BBID				
Zone 7				
TOTAL	\$ 340,980	\$ 183,702	\$ (157,278)	\$ 191,600

*LTRID will go to zero as CWD excess RECs will be used for LTRID

Power and Water Resources Pooling Authority

June 6, 2023 Board Meeting

1. Energy Charges:

These charges collect for load costs and the variable energy generation in the portfolio, the cost of the contract and the energy revenue. There is more variability from one District to the next in these rates due to changes in load from the budget and also the participation level in each of the resources. Some Districts costs go up from the budget due to serving more energy than in original budget (CWD, PPCID).

Table 4: Rate Change Recommendation

Variable Power	Annual Dry Budget	Revised Annual Budget	Change in Budget	Jan-May Revenue	Remaining Balance	Remaining MWh	New Proposed Rate, \$/MWh	Budget Rate, \$/MWh
Arvin-Edison	\$ 9,342,472	\$ 7,947,732	\$ (1,394,740)	\$ (3,329,057)	\$ 4,618,675	67,854	68.07	72.85
Banta-Carbona	\$ 1,083,335	\$ 979,941	\$ (103,394)	\$ (241,726)	\$ 738,215	9,957		55.74
Cawelo	\$ 489,140	\$ 1,010,896	\$ 521,757	\$ (177,421)	\$ 833,476	11,456		49.77
Glenn-Colusa	\$ 872,548	\$ 687,221	\$ (185,327)	\$ (188,781)	\$ 498,439	7,466	66.77	83.10
James	\$ 324,063	\$ 258,489	\$ (65,574)	\$ (15,978)	\$ 242,511	2,585		56.12
Lower Tule	\$ 1,047,333	\$ 708,777	\$ (338,556)	\$ (297,487)	\$ 411,290	6,725	61.16	115.14
Princeton	\$ 91,424	\$ 303,274	\$ 211,850	\$ (41,437)	\$ 261,837	3,035		42.83
RD108	\$ 173,194	\$ 196,532	\$ 23,338	\$ (25,521)	\$ 171,012	2,070	82.62	95.61
Santa Clara	\$ 2,721,609	\$ 1,810,856	\$ (910,752)	\$ (959,464)	\$ 851,392	13,202	64.49	125.90
Sonoma	\$ 5,132,016	\$ 3,003,741	\$ (2,128,275)	\$ (1,466,854)	\$ 1,536,886	22,482	68.36	137.25
West Stan	\$ 1,909,677	\$ 752,034	\$ (1,157,643)	\$ (130,711)	\$ 621,322	10,786	57.60	92.79
Westlands	\$ 15,644,566	\$ 2,860,537	\$ (12,784,028)	\$ (1,424,387)	\$ 1,436,151	34,008	42.23	81.27
Westside	\$ 94,161	\$ 137,910	\$ 43,749	\$ (20,172)	\$ 117,739	1,856		34.90
Zone 7	\$ 945,501	\$ 614,691	\$ (330,809)	\$ (284,584)	\$ 330,107	4,748	69.53	118.13
TOTAL	\$ 39,871,038	\$ 21,272,632	\$ (18,598,406)	\$ (8,603,579)	\$ 12,669,053	198,227		
	A	B	C	D	E	F	G	H

A: Dry budget approved for variable energy costs (Load Cost, BR, solar, Lodi energy)

B: Revised variable energy costs for Wet year conditions but with still high energy prices in the forward markets.

C: Change in the adopted budget (A) and new Budget estimate (B) for variable energy costs.

D: Invoiced Energy Collection is for January – May, Energy Rate collection.

E: Remaining energy costs to collect: Revised Budget (B) plus energy Revenue (D)

F: June – December estimated energy to invoice

G: New Energy Rate: E/F

H: Dry Budgetd Rate, \$/MWh

**Power and Water Resources Pooling Authority
June 6, 2023 Board Meeting**

Budget Impact:

Costs are estimated to be \$48 Million dollars, down from \$89 Million in the budget. The reason for this is:

1. Serving less load, 36% decrease
2. Change from dry year to wet year conditions
 - a. Large increase in Base Resource due to wet year which
 - i. Brings in more revenue
 - ii. Lowers carbon transfer requirements
 - b. Brings down power costs, but not as much as typical wet years as gas prices are still projected to be high to restore reserves and be ready for atypical weather related energy requirements.
 - c. Solar units bring in less revenue due to more cloud cover in Winter/Spring, lower market prices in solar hours, and generating at negative prices for RECs.

Tables 5 shows the budgeted energy and costs whereas table 6 is the current estimate.

Table 5: 2023 Budget

Budget	Mwh	Overhead	Delivery	Power	Total	c/kWh
Arvin-Edison	128,238	\$ 365,338	\$ 11,230,865	\$ 9,912,949	\$ 21,509,152	0.17
Banta-Carbona	19,435	\$ 96,796	\$ 783,811	\$ 1,503,798	\$ 2,384,406	0.12
Cawelo	9,827	\$ 93,540	\$ 840,290	\$ 809,728	\$ 1,743,558	0.18
Glenn-Colusa	10,500	\$ 93,431	\$ 657,179	\$ 933,852	\$ 1,684,463	0.16
James	4,953	\$ 63,125	\$ 356,604	\$ 335,225	\$ 754,953	0.15
Lower Tule	9,097	\$ 77,497	\$ 858,910	\$ 1,225,455	\$ 2,161,862	0.24
Princeton	2,135	\$ 63,064	\$ 136,069	\$ 95,908	\$ 295,041	0.14
RD108	1,811	\$ 66,647	\$ 257,393	\$ 215,920	\$ 539,960	0.30
Santa Clara	21,617	\$ 113,314	\$ 1,617,171	\$ 3,067,454	\$ 4,797,939	0.22
Sonoma	37,391	\$ 156,636	\$ 2,232,500	\$ 5,449,232	\$ 7,838,368	0.21
West Stan	20,580	\$ 92,230	\$ 1,155,061	\$ 2,146,912	\$ 3,394,202	0.16
Westlands	192,503	\$ 851,554	\$ 21,950,167	\$ 17,032,836	\$ 39,834,557	0.21
Westside	2,698	\$ 61,126	\$ 209,493	\$ 137,196	\$ 407,815	0.15
Zone 7	8,004	\$ 74,309	\$ 742,667	\$ 988,705	\$ 1,805,680	0.23
TOTAL	468,788	2,268,607	43,028,178	43,855,170	89,151,955	0.19

**Power and Water Resources Pooling Authority
June 6, 2023 Board Meeting**

Table 6: 2023 Current Cost Estimates (Pre-Reconciliation report)

Current	MWh	Overhead	Delivery	Power	Total	c/kWh
Arvin-Edison	113,550	\$ 352,342	\$ 7,542,811	\$ 7,438,835	\$ 15,333,988	0.14
Banta-Carbona	14,293	\$ 83,431	\$ 576,268	\$ 1,311,300	\$ 1,970,999	0.14
Cawelo	15,020	\$ 77,525	\$ 939,547	\$ 1,128,290	\$ 2,145,362	0.14
Glenn-Colusa	9,737	\$ 80,605	\$ 569,504	\$ 673,422	\$ 1,323,531	0.14
James	2,869	\$ 55,830	\$ 219,868	\$ 269,855	\$ 545,552	0.19
Lower Tule	9,308	\$ 66,527	\$ 774,573	\$ 640,900	\$ 1,482,001	0.16
Princeton	4,002	\$ 54,105	\$ 203,718	\$ 302,257	\$ 560,080	0.14
RD108	2,337	\$ 56,949	\$ 229,614	\$ 218,079	\$ 504,642	0.22
Santa Clara	20,823	\$ 105,132	\$ 1,694,928	\$ 1,981,023	\$ 3,781,084	0.18
Sonoma	33,169	\$ 148,254	\$ 2,059,205	\$ 2,810,407	\$ 5,017,866	0.15
West Stan	12,195	\$ 78,570	\$ 627,488	\$ 858,215	\$ 1,564,274	0.13
Westlands	51,534	\$ 879,372	\$ 8,071,515	\$ 3,971,577	\$ 12,922,464	0.25
Westside	2,434	\$ 52,979	\$ 154,988	\$ 183,657	\$ 391,624	0.16
Zone 7	7,157	\$ 68,599	\$ 811,916	\$ 593,112	\$ 1,473,627	0.21
TOTAL	298,429	2,160,220	24,475,943	22,380,929	49,017,093	0.16

Table 7: Change from Dry Budget

Difference	MWh	Overhead	Distribution	Power	Total
Arvin-Edison	(14,688)	\$ (12,997)	\$ (3,688,054)	\$ (2,474,113)	\$ (6,175,164)
Banta-Carbona	(5,142)	\$ (13,365)	\$ (207,544)	\$ (192,497)	\$ (413,406)
Cawelo	5,193	\$ (16,015)	\$ 99,257	\$ 318,561	\$ 401,804
Glenn-Colusa	(763)	\$ (12,827)	\$ (87,675)	\$ (260,430)	\$ (360,932)
James	(2,084)	\$ (7,296)	\$ (136,736)	\$ (65,370)	\$ (209,401)
Lower Tule	212	\$ (10,969)	\$ (84,337)	\$ (584,555)	\$ (679,861)
Princeton	1,868	\$ (8,959)	\$ 67,649	\$ 206,349	\$ 265,039
RD108	525	\$ (9,698)	\$ (27,778)	\$ 2,159	\$ (35,318)
Santa Clara	(794)	\$ (8,181)	\$ 77,758	\$ (1,086,431)	\$ (1,016,855)
Sonoma	(4,222)	\$ (8,382)	\$ (173,295)	\$ (2,638,825)	\$ (2,820,501)
West Stan	(8,385)	\$ (13,659)	\$ (527,572)	\$ (1,288,698)	\$ (1,829,929)
Westlands	(140,969)	\$ 27,818	\$ (13,878,652)	\$ (13,061,259)	\$ (26,912,093)
Westside	(264)	\$ (8,147)	\$ (54,505)	\$ 46,462	\$ (16,191)
Zone 7	(847)	\$ (5,710)	\$ 69,250	\$ (395,593)	\$ (332,053)
TOTAL	(170,359)	(108,387)	(18,552,235)	(21,474,240)	(40,134,862)

Power & Water Resources Pooling Authority

Regular Agenda • Item 6.F

Amended June 5, 2023

1. Resolution 23-06-07 *WAPA Annual O&M Obligation for 2025.*
2. Resolution 23-06-10 *Contract for the Displacement of Base Resource, Amendment 1.*

Power & Water Resources Pooling Authority
Resolution 23-06-07

AMENDMENT 1 TO THE BASE RESOURCE DISPLACEMENT CONTRACT

WHEREAS, the Power and Water Resources Pooling Authority (“PWRPA”) provides electric service to its customers under specified terms and conditions; and

WHEREAS, the Western Area Power Administration (“WAPA”) shall market the surplus generation from the Central Valley Project pursuant to its 2025 Power Marketing Plan (“Marketing Plan”); and

WHEREAS, pursuant to the Marketing Plan, WAPA executed Base Resource Contract 21-SNR-02613 with PWRPA on October 13, 2021; and

WHEREAS, certain Base Resource customers are not directly connected to WAPA’s transmission system (“NDCCs”) and other Base Resource customers are directly connected to WAPA’s transmission system (“DCCs”); and

WHEREAS, all PWRPA Project Participants are NDCCs; and

WHEREAS, the loads that the NDCCs are serving with power received under their Base Resource Contracts incur charges from the CAISO for imports from the Balancing Authority of Northern California (“BANC”) and Turlock Irrigation District (“TID”) balancing authority (“BA”) areas and at times the DCCs export resources out of the CAISO BA into the BANC and TID BAs, resulting in DCCs incurring charges from the CAISO; and

WHEREAS, the NDCCs and the DCCs created a Displacement Program under which the NDCCs Base Resource can be scheduled to the DCCs in the BANC and TID BAs, and the DCCs in turn can schedule an equal amount of energy in quality, quantity, and timing to the NDCCs from resources scheduled from or through the CAISO BA; and

WHEREAS, WAPA offered the Contract for Displacement of Base Resource with Central Valley Project Customers Program (Contract 09-SNR-01256) which was approved by the PWRPA Board of Directors on November 4, 2009, in Resolution 09-05-05; and

WHEREAS, WAPA now offers Amendment 1 to Contract 09-SNR-01256 which extends the termination date for an additional two years until to December 31, 2026.

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NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

1. Approves Amendment 1 (Extension) to the Contract for Displacement of Base Resource with Central Valley Project Customers, appended hereto as Exhibit A.
2. Directs the Chairman to complete, electronically sign, date and return the Amendment 1 to the Western Area Power Administration.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton/Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 Water Agency (100.0% <i>Voting Shares</i>)
NOES	
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**ATTACHMENT A
to
RESOLUTION 23-06-07**

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

AMENDMENT 1
(Extension)

TO THE
CONTRACT FOR DISPLACEMENT OF BASE RESOURCE

WITH

CENTRAL VALLEY PROJECT CUSTOMERS

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

AMENDMENT 1
(Extension)

TO THE
CONTRACT FOR DISPLACEMENT OF BASE RESOURCE

WITH

CENTRAL VALLEY PROJECT CUSTOMERS

<u>Section</u>	<u>Table of Contents</u>	<u>Page</u>
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3.	Agreement	2
4.	Term of Amendment	2
5.	Modification of Section 4 (Effective Date and Term of Contract) of the Displacement Contract	2
6.	Displacement Contract to Remain in Effect	3
7.	Authority to Execute	3
	Resolution	

1
2
3 UNITED STATES
4 DEPARTMENT OF ENERGY
5 WESTERN AREA POWER ADMINISTRATION
6 SIERRA NEVADA REGION

7
8 AMENDMENT 1
9 (Extension)

10 TO THE
11 CONTRACT FOR DISPLACEMENT OF BASE RESOURCE
12 WITH
13 CENTRAL VALLEY PROJECT CUSTOMERS

14
15 **1. PREAMBLE:**

16 This Amendment 1 to Contract 09-SNR-01256 (Displacement Contract) is made this
17 _____, between the United States of America, Department of Energy,
18 Western Area Power Administration (WAPA) and the Central Valley Project (CVP)
19 preference power customers signing this Contract and set forth in Exhibit A, all
20 collectively called Parties.

21
22 **2. EXPLANATORY RECITALS:**

23
24 2.1 The Parties entered into the Displacement Contract on June 1, 2009. The
25 Displacement Contract sets forth the terms and conditions of the Displacement
26 Program.

27
28 2.2 Under the Displacement Contract, the Non-Direct Connect Customers
(NDCC) First Preference Power or Base Resource is scheduled to the Direct
Connect Customers (DCC) in the BANC/WAPA and TID balancing authority
areas, and the DCCs provide an equal amount of energy in quality, quantity, and
timing to the NDCCs from resources scheduled from or through the CAISO BA.

1 2.3 The purpose of the Displacement Program is to preserve the benefit of
2 First Preference Power and Base Resource, create efficiencies, and minimize
3 delivery costs among the NDCCs and the DCCs.
4

5 2.4 The Displacement Contract terminates on December 31, 2024. The
6 Parties desire to extend the term of Displacement Contract as described in this
7 Amendment.
8

9 **3. AGREEMENT:**

10 The Parties agree to the terms and conditions set forth herein.
11

12 **4. TERM OF AMENDMENT:**

13 This Amendment shall become effective upon execution and shall remain in effect
14 concurrently with the Displacement Contract.
15

16 **5. MODIFICATION OF SECTION 4 (EFFECTIVE DATE AND TERM OF**
17 **CONTRACT) OF THE DISPLACEMENT CONTRACT:**

18 The following subsection of Section 4 of the Displacement Contract is hereby modified
19 as shown below:

20 "4.1 This Contract shall become effective on the first day WAPA
21 designates, and shall remain in effect until midnight of December 31,
22 2026, subject to prior Termination, as otherwise provided for herein. All
23 requirements set forth in Sections 4.1.1 and 4.1.4 herein must be met prior
24 to this Contract becoming effective."

25 ///

26 ///

27 ///

28 ///

1 **6. DISPLACEMENT CONTRACT TO REMAIN IN EFFECT:**

2 Except as expressly modified by this Amendment, said Displacement Contract shall
3 remain in full force and effect, and this Amendment shall be subject to all provisions of
4 the Displacement Contract, except as herein amended.
5

6 **7. AUTHORITY TO EXECUTE:**

7 Each individual signing this Amendment certifies that the Party represented has duly
8 authorized such individual to execute this Amendment that binds and obligates the
9 Party.
10

11 **8. EXECUTION BY COUNTERPARTS:**

12 This Amendment may be executed in any number of counterparts and, upon execution
13 and delivery by each Party, the executed and delivered counterparts together shall have
14 the same force and effect as an original instrument as if all Parties had signed the same
15 instrument. Any signature page of this Amendment may be detached by any
16 counterpart of this Amendment without impairing the legal effect of any signatures
17 thereon and may be attached to another counterpart of this Amendment identical in
18 form hereto, by having attached to it one or more signature pages.
19

20 **9. ELECTRONIC SIGNATURES:**

21 The Parties agree that this Amendment may be executed by handwritten signature or
22 digitally signed using DocuSign, Adobe Sign or Adobe E-Signature. An electronic or
23 digital signature is the same as a handwritten signature and shall be considered valid
24 and acceptable.

25 ///

26 ///

27 ///

28 ///

1 **IN WITNESS WHEREOF**, the Parties have caused this Amendment to be
2 executed the day and year first above written.

3
4 EASTSIDE POWER AUTHORITY

5 (Attest)

6 By: _____

Name:

7 Title: _____

8 By: _____

Address: _____

9 Title: _____

10
11 MARIN CLEAN ENERGY

12 (Attest)

13 By: _____

Name:

14 Title: _____

15 By: _____

Address: _____

16 Title: _____

17
18 MODESTO IRRIGATION DISTRICT

19 (Attest)

20 By: _____

Name:

21 Title: _____

22 By: _____

Address: _____

23 Title: _____

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NORTHERN CALIFORNIA POWER AGENCY

(Attest)

By: _____

Name:

Title: _____

By: _____

Address: _____

Title: _____

POWER AND WATER RESOURCES
POOLING AUTHORITY

(Attest)

By: _____

Name:

Title: _____

By: _____

Address: _____

Title: _____

CITY OF REDDING

(Attest)

By: _____

Name:

Title: _____

By: _____

Address: _____

Title: _____

CITY OF ROSEVILLE

(Attest)

By: _____

Name:

Title: _____

By: _____

Address: _____

Title: _____

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SACRAMENTO MUNICIPAL UTILITY DISTRICT

(Attest)

By: _____

Name: _____

Title: _____

By: _____

Address: _____

Title: _____

CITY OF SANTA CLARA
dba SILICON VALLEY POWER

(Attest)

By: _____

Name: _____

Title: _____

By: _____

Address: _____

Title: _____

TURLOCK IRRIGATION DISTRICT

(Attest)

By: _____

Name: _____

Title: _____

By: _____

Address: _____

Title: _____

WESTERN AREA POWER ADMINISTRATION

By: _____

Name: Arun K. Sethi

Title: Vice President of Power Marketing for

Sierra Nevada Region

Address: 114 Parkshore Drive

Folsom, California 95630

**Power & Water Resources Pooling
Authority**

Regular Agenda • Item 7.A

Amended June 5, 2023

1. Resolution 23-06-09 *Success Small Hydro Power Purchase Agreement.*

**Power & Water Resources Pooling Authority
Resolution 23-06-09**

RENEWABLE ENERGY PURCHASE AGREEMENT

The Power and Water Resources Pooling Authority (“PWRPA”) provides electric service to its customers, known as “Project Participants,” under terms and conditions specified in the Aggregation Services Agreement (“ASA”); and

WHEREAS, Lower Tule River Irrigation District (“LTRID”) is a Project Participant and owns a small hydroelectric facility that is a CEC-certified eligible renewable energy resource; and

WHEREAS, PWRPA desires to enter into a short-term power purchase agreement with LTRID for the full output; and

WHEREAS, the agreement includes a provision to extend the term by written agreement of the parties.

NOW, THEREFORE, BE IT RESOLVED that the Pooling Authority Board of Directors hereby:

1. Authorizes the Chair, or his designee, to execute and implement a Renewable Energy Purchase Agreement with LTRID according to the rates, terms, and conditions substantially similar to those set forth in Attachment A, subject to the prior approval of General Counsel as to the form of the final, executable version.

PASSED AND ADOPTED by the PWRPA Board of Directors this 7th day of June 2023, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Byron Bethany ID, Cawelo Water District, Glenn-Colusa ID, James ID, Lower Tule River ID, Princeton / Provident ID, RD 108, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District, Zone 7 WA (100.0% Voting Shares)
NOES	None
ABSENT	

David Weisenberger
Chairman

Attest by: Bruce McLaughlin
Secretary

**ATTACHMENT A
to
RESOLUTION 23-06-09**

RENEWABLE ENERGY PURCHASE AGREEMENT
between
LOWER TULE RIVER IRRIGATION DISTRICT
and
POWER AND WATER RESOURCES POOLING AUTHORITY

This **RENEWABLE ENERGY PURCHASE AGREEMENT** (“Agreement”), dated May XX, 2023 (“Effective Date”), is entered into by and between the **LOWER TULE RIVER IRRIGATION DISTRICT**, a California Irrigation District (“Lower Tule River”), and the **POWER AND WATER RESOURCES POOLING AUTHORITY**, a California joint powers authority (“PWRPA”). Capitalized terms contained herein shall have the meanings specified in Exhibit A.

- RECITALS -

A. Lower Tule River owns and operates the Success Power Project (“Project”) located at 29332 Highway 190, Porterville, CA, as described more fully in Exhibit B. The Project consists of a nominal, instantaneous net electrical output of approximately 1.4 MW.

B. PWRPA is a public agency duly organized and existing pursuant to the California Government Code relating to the joint exercise of powers, and possesses those powers that are common among the parties to a Joint Powers Agreement, dated January 22, 2004, including the authority to provide wholesale and retail electric service.

C. The Project has been certified by the California Energy Commission (“CEC”) (CEC Plant ID H0503) as being an Eligible Renewable Energy Resource, as such term is defined in California Public Utilities Code Section 399.12(e), and energy generated from the Project qualifies under the requirements of the California Renewables Portfolio Standard.

D. The Parties wish to enter into this Agreement for the sale and documentation of Capacity, Energy, Environmental Attributes, and Resource Adequacy Benefits associated with the Project.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and of other good and valuable consideration, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
CONTRACT DOCUMENTS

1.1 Documents Included. This Agreement consists of this document and the following exhibits which are specifically incorporated herein and made a part hereof by this reference:

Exhibit A -	Definitions
Exhibit B -	Description of the Project
Exhibit C -	Rate Agreement

1.2 Definitions. Terms in this Agreement that are initially capitalized and included in Exhibit A shall have the meaning stated in Exhibit A.

1.3 Conflict with Exhibits. In the event of a conflict between the terms of this document and the terms of one or more of the exhibits, the terms of this document shall control. In the event of any conflict among the exhibits, the exhibit of latest date mutually agreed upon by the Parties shall control.

1.4 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the Parties with respect to the purchase and sale of the Electrical Output. No other representations are intended or shall be implied. Any prior contemporaneous correspondence, memoranda, or agreements, whether oral or written, which are in conflict with this Agreement are intended to be replaced in total by this Agreement and the exhibits to this Agreement. The Parties warrant and represent that there are no oral promises, representations, or agreements not contained in this Agreement.

ARTICLE 2 TERM AND DELIVERY DATE

2.1 Effective Date; Delivery Term. This Agreement shall be effective on the Effective Date and the Delivery Term shall commence on the Delivery Date and continue for 8 months **after the Delivery Date** unless terminated earlier pursuant to Article 8.

2.2 Delivery Date. Lower Tule River shall give PWRPA not less than fifteen (15) Business Days prior written notice that the Project will be available to produce Electrical Output on the date indicated in such notice (“Delivery Date”).

2.3 Modification or Extension. This Agreement may be amended, modified or extended by a written agreement signed by both Lower Tule River and PWRPA.

ARTICLE 3 PURCHASE AND SALE OF ELECTRICAL OUTPUT

3.1 Purchase and Sale of Electrical Output.

3.1.1 General. In accordance with the terms and conditions of this Agreement, Lower Tule River shall sell and deliver at the Delivery Point, and PWRPA shall purchase and accept from Lower Tule River at the Delivery Point the Electrical Output of the Project produced during the Delivery Term, including Capacity, Energy, Environmental Attributes and Resource Adequacy Benefits associated with the Project. Except as specifically stated otherwise, Electrical Output shall mean the net amount of electrical output delivered at the Delivery Point as measured in megawatt hours (“MWh”), net of all losses, including but not necessarily limited to any transformation or electric system losses from the Project to the Delivery Point. Lower Tule River has represented and disclosed to PWRPA that the project produces Electrical Output only when sufficient water resources are available to operate the Project, and that sufficient water resources are frequently not available or are available in reduced quantities such that maximum Electrical Output is not regularly achieved. Lower Tule makes no warranty or guarantee as to the frequency or quantity of Electrical Output, other than the maximums and capacities as stated herein.

3.1.2 Delivery Point. The Electrical Output sold to PWRPA under this Agreement shall be delivered to PWRPA at the Delivery Point which is the meter as provided in Section 4.1 (“ISO Meter”). Title to and risk of loss associated with the Electrical Output shall pass from Lower Tule River to PWRPA at the Delivery Point.

3.1.3 Capacity; Resource Adequacy. Lower Tule River hereby grants, pledges, assigns and otherwise commits to PWRPA the full Capacity of the Project during the Delivery Term for the purpose, among other things, (a) of satisfying any Resource Adequacy Requirement that may be applicable to PWRPA or (b) of obtaining Congestion Hedging Rights from any applicable authority for use during the Delivery Term; provided, however, Lower Tule River shall not be required to provide PWRPA with any ancillary services that may be associated with the sale of Capacity, including but not necessarily limited to black start capability, reactive power, spinning reserves or regulation. Lower Tule River represents, warrants and covenants to PWRPA that Lower Tule River will not, during the Delivery Term, use, grant, pledge assign or otherwise commit, any portion of the Project to meet the Resource Adequacy Requirements of, or to confer Resource Adequacy Benefits upon, any entity other than PWRPA. The Parties shall take all actions (including, without limitation, amending this Agreement) and execute all documents or instruments as may be reasonably necessary or advisable to effectuate the use of the Resource Adequacy Benefits of the Project for PWRPA's sole benefit throughout the Delivery Term.

3.2 Purchase and Sale of Environmental Attributes.

3.2.1 General. Lower Tule River shall deliver and PWRPA shall receive all rights, title, and interest in and to all Environmental Attributes associated with the Electrical Output.

3.2.1.1 Environmental Attributes Exceptions. If the Project receives any tradable interest based on the greenhouse gas reduction benefits attributed to the use of hydroelectric generation in the production of Energy from the Project, those benefits shall accrue to Lower Tule River, for the exclusive use by Lower Tule River, if and only to the extent that PWRPA does not have to demonstrate or otherwise offset, reduce or eliminate greenhouse gas emissions from the project its self. Lower Tule River shall provide PWRPA, at no expense to PWRPA, sufficient rights to such tradable interest so as to ensure that there are zero net emissions of greenhouse gas associated with the production of Energy from the Project. Lower Tule River agrees to deliver to PWRPA all such Environmental Attributes to the fullest extent allowed by applicable law. Lower Tule River warrants that all Environmental Attributes delivered under this Agreement to PWRPA shall be free and clear of all liens, security interests, claims and encumbrances.

3.2.2 Reporting of Ownership of Environmental Attributes. PWRPA will perform all duties to report generation to WREGIS. During the Delivery Term, Lower Tule River shall not report to any person or entity that the Environmental Attributes delivered to PWRPA under this Agreement belong to anyone other than PWRPA, and PWRPA may report under any applicable program that all such Environmental Attributes received under this Agreement belong to PWRPA except as explicitly provided above in Section 3.2.1.

3.2.3 Evidence of Environmental Attributes. Lower Tule River agrees to submit to PWRPA, or an entity designated by PWRPA, documentation, in a form acceptable to PWRPA, evidencing Lower Tule River's delivery to PWRPA of title to Environmental Attributes associated with the Electrical Output. Without limiting the generality of the foregoing and only as may be reasonably necessary or advisable, Lower Tule River shall be responsible for complying, at its own expense, with requests for information associated with WREGIS and/or any other entity, if any, that PWRPA uses to verify its renewable energy purchases and that requires registration, inspections, certification or other evidence of the capability of the Project to produce Environmental Attributes or evidence of the quality and/or quantity of such Environmental Attributes produced.

3.2.4 Cooperation; Further Assurances. Lower Tule River agrees to cooperate with PWRPA to the fullest extent reasonably necessary, and agrees to take all actions as may be reasonably

necessary or advisable to effectuate the use of the Environmental Attributes of the Project for PWRPA's benefit throughout the Delivery Term.

3.3 Sales to Third Parties. During the Delivery Term, Lower Tule River shall not assign, transfer, convey, encumber, sell, or otherwise dispose of all or any portion of the Energy, Capacity, Environmental Attributes, or Resource Adequacy Benefits to any person other than PWRPA except as provided in Section 3.2.1.

ARTICLE 4 METERING, SCHEDULING AND DELIVERIES

4.1 Metering. Lower Tule River shall, at its own expense, provide, own, maintain, test, read and replace all meters and equipment required by the ISO or SCE in order to meter the Electrical Output ("ISO Meter"). Lower Tule River shall comply with all ISO and SCE tariffs and standards applicable to metering. Lower Tule River agrees to cooperate with PWRPA as may be reasonably necessary or advisable in the communication of meter data, including but not necessarily limited to authorizing PWRPA and PWRPA's Scheduling Coordinator to view the Project's ISO on-line meter data and to view all inspection, testing and calibration data and reports. At least once per year or upon reasonable request from PWRPA, Lower Tule River shall test its meters and equipment in accordance with generally accepted electrical practices and the ISO tariff. If Lower Tule River's meters and/or equipment is determined to be inaccurate or if the ISO makes any adjustment to any ISO meter data for a given time period, Lower Tule River agrees that it shall submit revised monthly invoices covering the applicable time period in order to conform fully such revised monthly invoices to the adjusted meter data; provided, however, if the period of inaccuracy cannot be determined, any such adjustment shall be for a period equal to one-half of the time elapsed since the preceding test.

4.2 Scheduling.

4.2.1 Scheduling Coordinator Services. The Parties mutually agree that PWRPA will act as Scheduling Coordinator for the Project and scheduled under PWRPA's Scheduling Coordinator ID (SCID). Lower Tule River shall be responsible for all ISO charges assessed by the ISO pursuant to the then current ISO settlement charge matrix, including instructed and uninstructed deviations from Schedule and for all costs and charges associated with Lower Tule River's failure to deliver Electrical Output as scheduled or Lower Tule River's failure to abide by the ISO Tariff and associated protocols, as further described in Section 4.3.

4.2.2 Contract Capacity; Scheduled Amount. Lower Tule River represents that, under maximum operating conditions, subject to the limitations described in Section 3.1.1, the Project can deliver 1.4 MW, as measured at the Delivery Point ("Contract Capacity"). Consistent with the protocol established in accordance with Section 4.2.3, Lower Tule River shall specify the amount of Electrical Output that may be scheduled by PWRPA, after taking into consideration any derating of Contract Capacity due to Scheduled Outages.

4.2.2.1 Annual Capacity Report. For the purpose of forecasting Resource Adequacy Benefits, Lower Tule River shall submit to PWRPA a forecast of the maximum available capacity for the project by month.

4.2.2.2 Prudent Utility Practice. Lower Tule River shall operate, maintain, and repair the Facility in accordance with this Agreement, all requirements of law applicable to Lower Tule River or the Facility, contractual obligations, permits and in accordance with Prudent Utility Practice, including with respect to efforts to maintain availability of the Contract Capacity. Prudent Utility Practice means

those practices, methods, and equipment, as changed from time to time, that: (i) when engaged in are commonly used in the United States of America in prudent electrical engineering and operations to operate hydroelectric generation equipment and related electrical equipment lawfully and with safety, reliability, efficiency and expedition; or (ii) in the exercise of reasonable judgment considering the facts known, when engaged in could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition.

4.2.3 Scheduling Protocol. In consultation with LTRID Operations staff and PWRPA's Scheduling Coordinator, the Parties shall establish and deliver to day-ahead and hour-ahead scheduling protocols. The scheduling protocols shall generally conform to regional scheduling practices and applicable requirements of the ISO or PG&E.

4.2.4 Scheduled Outages. Lower Tule River shall submit to PWRPA Lower Tule River's schedule for the remaining year of outages that are reasonably required or advisable in order to adhere to the manufacturers' recommendation for service and overhaul of the Project's equipment, including electrical transformation ("Scheduled Outage"). Lower Tule River shall notify PWRPA of any outage not previously scheduled as soon as reasonably practicable after the condition becomes known to Lower Tule River, and shall comply with all outage coordination protocols established by the ISO.

4.2.5 Forced Outages. Lower Tule River shall promptly notify PWRPA of any Forced Outage of the Project, which such notice shall include, at a minimum, the amount of generation capability that will not be available because of the Forced Outage, the time at which the Forced Outage began, and the expected return date and time of such generation capability.

4.2.6 Ordered Curtailments. Lower Tule River shall reduce the Project's Electrical Output if notified to do so by the ISO or, as applicable, PWRPA's Scheduling Coordinator for system emergencies or other system conditions requiring the curtailment of deliveries.

4.3 Delivery, Imbalance and Other Charges. Lower Tule River shall be responsible for all costs and charges associated with Lower Tule River's failure to deliver Electrical Output as scheduled or Lower Tule River's failure to abide by the ISO Tariff and associated protocols, including charges PWRPA's Scheduling Coordinator receives from the ISO due to negative imbalance energy associated with scheduling Electrical Output, regardless of the cause thereof; provided, however, Lower Tule River may offset against its negative imbalance energy payment obligation any positive imbalance energy payments occurring within the same billing period.

ARTICLE 5 PRICING AND PAYMENT

5.1 Contract Rate. The contract price for all Electrical Output actually delivered to PWRPA under this Agreement at the Delivery Point, net of all applicable losses and adjustments, shall be \$20.00 per MWh ("Contract Rate"). Other rates terms for ISO adjustments, scheduling costs and delivery expenses, as agreed to by Lower Tule River and PWRPA, are described in Exhibit C.

5.2 Billing Period and Invoices. The accounting and billing period for transactions under this Agreement shall be 1 calendar month. On a monthly basis, Lower Tule River shall deliver a Power Invoice to PWRPA, either manually or through ACH. Such monthly Power Invoice shall state (i) the amount of Energy produced by the System and delivered to the Delivery Point, (ii) the Contract Rate under this Agreement, (iii) all ISO settlement amounts, (iv) PWRPA's admin fee and (v) and the total amount due.

5.3 Payment. As soon as practicable after receipt of the Power Invoice from Lower Tule River, PWRPA shall prepare a Reconciliation Invoice internal to the PWRPA billing systems that will be used to augment or offset the total amount shown in the Power Invoice. PWRPA shall pay Lower Tule River the reconciled amount on or before the 20th day following receipt of the Power Invoice (“Due Date”).

5.4 Offset for Scheduling Coordination Charges. In addition to other payment offsets that PWRPA may be entitled to under this Agreement, PWRPA may, with accompanying written documentation and description, offset against payments owing under this Agreement all costs imposed upon PWRPA in connection with charges for which Lower Tule River is responsible, as described in Sections **4.2.1 and 4.3.**

5.6 Late Payments. Any amounts not paid by the due date shall be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the Due Date to but excluding the date the delinquent amount is paid in full.

5.7 Disputes and Adjustments of Invoices. Either Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for the arithmetic or computational error. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the disputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within 5 business days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid.

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 General. As of the Effective Date, each Party represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing under the laws of the State of California;

(b) it has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof;

(c) it has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein;

(d) the execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on the Party or any valid order of any court, or any regulatory agency or other body having authority to which the Party is subject; and

(e) this Agreement is a valid and legally binding obligation of the Party, enforceable against the Party in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors’ rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may

be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

6.2 Renewable Energy. Lower Tule River represents, warrants and covenants that as of the Effective Date and continuing through the Delivery Term:

(a) the Project qualifies and is certified by the California Energy Commission (CEC-RPS-ID H0503) as being an “Eligible Renewable Energy Resource” as defined in Section 399.12(e) of the California Public Utilities Code and is otherwise eligible to be counted towards meeting applicable Renewables Portfolio Standard procurement requirements; and

(b) the Electrical Output of the Project, including the Environmental Attributes, will be available for PWRPA’s exclusive use.

6.3 PWRPA recognizes and acknowledges Lower Tule River’s representations regarding availability of Electrical Output as described in section 3.1.1 above, and accepts Lower Tule River’s disclaimer of warranty or guarantee regarding such Electrical Output as stated in that section.

ARTICLE 7 FORCE MAJEURE

7.1 General. As used in this Agreement, “Force Majeure Event” means any event that was not anticipated to occur during the contract term as of the Effective Date that (a) in whole or in part, delays a Party’s performance under this Agreement, causes a Party to be unable to perform its obligations, or prevents a Party from complying with or satisfying the conditions of this Agreement; (b) is not within the control of that Party; and (c) the Party has been unable to overcome by the exercise of due diligence. “Force Majeure Event” may include, but is not limited to, an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, or sabotage. Without limiting the generality of the foregoing, a Force Majeure Event shall specifically include a reduction in the Project’s Electrical Output if Lower Tule River is notified to do so by the ISO or, as applicable, PWRPA’s Scheduling Coordinator for system emergencies or other system conditions requiring the curtailment of deliveries, as described in Section 4.2.6. A Force Majeure Event shall not be based on: (i) PWRPA’s inability economically to use or resell the Electrical Output purchased under this Agreement; (ii) Lower Tule River’s ability to sell the Electrical Output at a price greater than the price set forth in this Agreement, or (iii) any equipment failure not caused by a Force Majeure Event.

7.2 Notice. As soon as reasonably practicable following the commencement of a Force Majeure Event, the non-performing Party shall provide the other Party oral notice of the Force Majeure Event. The non-performing Party shall also provide written notice to the other Party as soon as reasonably practicable following the commencement of a Force Majeure Event, but in no event later than 2 weeks after the commencement of a Force Majeure Event, which written notice shall be in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely notice constitutes a waiver of a Force Majeure claim.

7.3 Suspension of Performance. If either Party is prevented by a Force Majeure Event from carrying out, in whole or part, its obligation under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure Event to the other Party as soon as reasonably practicable, then the Claiming Party shall be excused from the performance of its obligations (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force

Majeure Event). The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

ARTICLE 8 TERMINATION

8.1 Termination for Convenience. Either Party may terminate this Agreement for any reason or no reason by providing the other Party a minimum of 1 month's advance written notice.

8.2 Termination for Cause. The non-defaulting Party may terminate this Agreement for an uncured Event of Default, as described in Article 9.

8.3 Notice of Termination; Close-out. Any termination under this Agreement shall be effected by delivery of a written notice of termination specifying the basis for termination and the date upon which the termination shall become effective. Following termination of this Agreement, each Party shall (a) as applicable, render to the other Party a final invoice for the payment obligations of the other Party, if any, incurred up to the termination date and (b) in good faith and to the best of its ability, do all things necessary and proper to ensure the efficient, proper close-out of this Agreement.

ARTICLE 9 EVENTS OF DEFAULT

9.1 Events of Default. Each of the following shall constitute an "Event of Default" under this Agreement:

(a) Failure of a Party to perform any material duty imposed upon that Party by this Agreement in any material respect;

(b) Failure to achieve the Delivery Date within six months of the Effective Date, in which case PWRPA shall be considered the non-defaulting Party for purposes of this Article 9;

(c) Filing of a petition in bankruptcy by or against a Party if such petition is not withdrawn or dismissed within 60 days after it is filed;

(d) Assignment by a Party for the benefit of creditors; and

(e) Allowance by a Party of the appointment of a receiver or trustee of all or any part of its property if such receiver or trustee is not discharged within 60 days after his appointment;

9.2 Notice of Default. The non-defaulting Party shall have the right to give the defaulting Party a written notice of default, which shall describe the default in reasonable detail and state the date by which the default must be cured ("Notice of Default").

9.3 Opportunity to Cure. Except in the case of a default described in Section 9.1(a), there will be no cure period and no opportunity to cure. In the case of a default described in Section 9.1(a), the default must be cured (except to the extent provided below) within 30 days after receipt of the Notice of Default. If within the thirty 30-day period described in the preceding sentence, the defaulting Party cures the default, or if the failure is one (other than the failure to make payments or to post credit support) that cannot in good faith be corrected within such period and the defaulting Party begins to correct the default within the applicable period and continues corrective efforts with reasonable diligence until a cure is

effected, the Notice of Default shall be inoperative, and the defaulting Party shall lose no rights under this Agreement; provided, however, that such extended cure period shall not exceed 120 days after receipt of the Notice of Default. If, within the specified applicable periods, the defaulting Party does not cure the default as provided above, the non-defaulting Party may exercise the remedies contemplated by Section 9.4.

9.4 Rights Upon Default. Upon providing notice, and upon expiration of any applicable cure period provided in Section 9.3 without a cure of the default, the non-defaulting Party shall have the right (but not the duty) to terminate this Agreement by giving written notice to the defaulting Party. Each and every power and remedy given to the non-defaulting Party (a) shall be in addition to every other power and remedy now or hereafter available to the non-defaulting Party at law or in equity (including the right to specific performance), (b) may be exercised from time to time and as often and in such order as may be deemed expedient, and (c) shall be cumulative, so that the exercise of one power or remedy shall not waive the right to exercise any other or others. No delay or omission in the exercise of any power or remedy and no renewal or extension of any performance due under this Agreement shall impair any such power or remedy or waive any default. Notwithstanding any termination of this Agreement, all financial obligations that have accrued under this Agreement shall remain until paid.

ARTICLE 10 LIMITS OF LIABILITY AND INDEMNITY

10.1 LIMITATION OF LIABILITY. NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON CONTRACT OR TORT (INCLUDING SUCH PARTY'S OWN NEGLIGENCE) AND INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF PURCHASED POWER, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF LOWER TULE RIVER OR OF PWRPA FOR SUCH DAMAGES. THIS PROVISION IS NOT INTENDED TO LIMIT THE RIGHT OF EITHER PARTY TO OBTAIN COVER DAMAGES FOR BREACH OF THIS AGREEMENT.

10.2 Indemnity. Lower Tule River and PWRPA, respectively, as indemnitor will indemnify the other as indemnitee, and save it harmless from any and all loss, damage, expense and liability resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage, to or destruction of property, including but not limited to the property of either Party hereto, arising out of or in any way connected with the performance of this Agreement or of any operations or activities provided for hereunder by indemnitor, its agents or employees, excepting only such injury, death, damage or destruction as may be caused by the sole negligence or willful misconduct of the indemnitee, its agents or employees. Indemnitor shall, upon indemnitee's request, defend at its sole cost and expense any suit asserting a claim covered by this indemnity. It is the intent of the Parties hereto that, where negligence is determined to have been contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence.

ARTICLE 11 NOTICES

Any and all notices, demands or other communications required or permitted to be given to a Party under this Agreement (any of which, for purposes of this provision, a "Notice") shall be validly given if served in writing either personally, by facsimile, by deposit in the United States mail, first class postage prepaid, or by a recognized courier service to any address in the United States or Canada. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of

delivery and receipt; (ii) by mail shall be conclusively deemed given forty-eight (48) hours after the deposit thereof; and (iii) by facsimile, upon receipt by sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety and received at the recipient's facsimile number. All Notices shall be addressed as follows:

If delivered to **Lower Tule River:** Lower Tule River Irrigation District
357 E. Olive Avenue
Tipton CA 93272
Attention: General Manager

Tel: (559) 686-4716

With a copy to: Alex M. Peltzer
General Counsel
3746 W. Mineral King Ave
Visalia, CA 932912

Tel: (559) 372-2400

If delivered to **PWRPA:** Power and Water Resources Pooling Authority
3514 West Lehman Road
Tracy, CA 95304
Attention: General Manager

Tel: (916) 531-5566
Fax: (209) 835-2009

With a copy to: Cori Bradley
Robertson-Bryan, Inc.
3100 Zinfandel Drive, Suite 300
Rancho Cordova, CA 95670

Tel: (916) 600-3443

Any party may change its Notice address or may designate additional parties to receive Notices by written notice given in the manner provided herein.

ARTICLE 12 MISCELLANEOUS

12.1 Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed in accordance with the laws of the State of California.

12.2 Modifications. This Agreement may not be altered in whole or in part except by a written modification executed by all the Parties to this Agreement.

12.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective purchasers, successors, heirs, and assigns.

12.4 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and shall remain enforceable.

12.5 Construction and Interpretation. It is acknowledged and agreed that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the proposed terms of this Agreement. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing and interpreting this Agreement.

12.6 Audit and Access Rights. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary or advisable to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. PWRPA, its authorized agents, employees and inspectors, has the right of ingress to and egress from the Facility on reasonable advance notice for any purpose reasonably connected with this Agreement, including but not necessarily limited to inspection of the Project in connection with any outage.

12.7 No Partnerships or Joint Ventures. Nothing herein contained shall be construed to make the Parties partners or joint venturers or to make PWRPA liable for any obligations incurred by Lower Tule River in the conduct of its business.

12.8 No Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and their permitted successors and assigns, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement.

12.9 Legal Costs. In the event that a Party exercises any right or remedy provided for in this Agreement with respect to this Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement, the losing Party shall pay all costs and expenses incurred by the prevailing Party in connection with such action, including, but not limited to, reasonable attorneys' fees of counsel selected by the prevailing Party. Notwithstanding any provision of this Agreement to the contrary, the obligations of the Parties under this Section 12.7 shall survive termination of this Agreement.

12.10 No Waiver. Any failure of a Party to enforce any of the provisions of this Agreement or to require compliance with any of its terms at any time during the pendency of this Agreement, shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the right of such Party thereafter to enforce each and every such provision. Any consent or approval given pursuant to this Agreement shall be limited to its express terms and shall not otherwise increase the obligations of the Party giving such consent or approval or otherwise reduce the obligations of the Party receiving such consent or approval.

12.11 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

12.12 Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE 13 SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives as of the Effective Date.

“PWRPA”

Power and Water Resources Pooling Authority,
a California joint powers authority

By: _____

Name: _____

Title: _____

“Lower Tule River”

Lower Tule River Irrigation District,

a California public agency

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM FOR LOWER TULE
RIVER:

General Counsel

**Exhibit A
to the
Renewable Energy Purchase Agreement**

- DEFINITIONS -

“Admin Fee” PWRPA’s monthly charges for performing scheduling, settlement, and reporting related to the Electrical Output.

“Agreement” means this Renewable Energy Purchase Agreement between Lower Tule River and PWRPA.

“Annual Capacity Factor” means the factor having as its numerator (a) the Electrical Output, measured in MWh, metered and delivered to PWRPA at the Delivery Point (including deemed MWh associated with any failure by PWRPA to receive Electrical Output as scheduled) and having as its denominator (b) the product of (i) Contract Capacity and (ii) the number of hours in the year (excluding any hours associated with Force Majeure Events).

“Capacity” means the ability of a generator at any given time to produce Energy at a specified rate as measured in megawatts or kilowatts.

“Capacity Attribute” means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of Energy that the Facility can generate and deliver to the Delivery Point at a particular moment, or any other Facility electric generating capability, that can be purchased and sold under ISO market rules, including Resource Adequacy Benefits. Capacity Attributes shall also include all rights to provide, and all benefits related to, the provision of Ancillary Services (as defined in the ISO Tariff) and, subject to Section 3.8(c), reactive power.

“CEC Certification and Verification” means that the CEC has certified (or, with respect to periods before the date that is up to 180 days after the Commercial Operation Date, that the CEC has pre-certified) that the Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard, meeting all applicable requirements for certified facilities set forth in the RPS Eligibility Guidebook, Ninth Edition (or its successor), and that all Energy generated by the Facility and delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

“Congestion Hedging Rights” means rights, or rights to revenues, allocated for the purpose of hedging congestion risk or compensating for congestion costs or for congestion relief, such as congestion revenue rights, firm transmission rights, financial transmission rights, auction revenue rights or any other similar term.

“Delivery Date” has the meaning given in Section 2.2.1.

“Delivery Point” means the ISO Meter as provided in Section 4.1.

“Delivery Term” means the period time commencing on the Delivery Date and continuing for 8 months unless terminated earlier pursuant to Article 8.

“Effective Date” means the date of last execution of this Agreement by the Parties, and as shown for convenience in the preamble to this Agreement.

“Electrical Output” means Capacity, Energy, Environmental Attributes and Resource Adequacy Benefits associated with the Project.

“Eligible Renewable Energy Resource” has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

“Energy” means metered electrical energy, measured in MWh, that is generated by the Project.

“Environmental Attributes” means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated that are (a) at any time recognized or deemed of value (or both) by any Buyer, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person, and (b) attributable to (i) generation by the Facility of Energy during the Delivery Term or any Replacement Product required to be delivered by Seller to Buyers during the Delivery Term, and (ii) the emissions or other environmental characteristics of such generation or such Replacement Product or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the “UNFCCC”), the Kyoto Protocol to the UNFCCC, California’s greenhouse gas legislation (including California Assembly Bill 32 (Global Warming Solutions Act of 2006) and any regulations implemented pursuant to that act, including without limitation any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board or any successor regulations thereto), or any similar international, federal, state or local program or crediting “early action” with a view thereto, or laws or regulations involving or administered by the CAMD, and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable Energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Facility Energy.

“Event of Default” has the meaning given in Section 9.1.

“Force Majeure Event” has the meaning given in Article 7.

“Forced Outage” means any outage or reduction in the Capacity of the Project that is not a Scheduled Outage.

“Interest Rate” means the prime rate as published by the Wall Street Journal on the first business day of the month.

“ISO” means the California Independent System Operator Corporation or its successor.

“ISO Tariff” means the ISO operating agreement and tariff, dated December 17, 2013, as modified from time to time.

“ISO Meter” means the meter used by the ISO to determine the amount of Energy produced by the Project for which the ISO shall give credit toward the delivery of any generation schedules from the Project.

“MWh” means megawatt hours.

“Notice” has the meaning given in Article 11.

“Notice of Default” has the meaning given in Section 9.2.

“SCE” means Southern California Edison Company or its successor.

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Project” has the meaning given in Recital A, and is described in Exhibit B.

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

“Renewables Portfolio Standard” or “RPS” means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018), codified in, inter alia, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

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

“Resource Adequacy Requirements” means resource adequacy obligations established by the ISO or another entity and made applicable to PWRPA.

“Scheduled Outage” has the meaning given in Section 4.2.4.

“Scheduling Coordinator” or “SC” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the ISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator,” of the ISO Tariff, as amended from time to time.

“WREGIS” means the Western Renewable Energy Generation Information System, or any successor renewable energy tracking system for implementing California’s Renewables Portfolio Standard.

**Exhibit B
to the
Renewable Energy Purchase Agreement**

- DESCRIPTION OF THE FACILITY -

Plant Name	Success Power Plant
CEC Plant ID	H0503
EIA Plant ID	10222
Qualifying Facility ID	4208
Plant Location	
Street Address	29332 HWY 190
City	Porterville
County	Tulare
State	California
Zip	93257
Latitude	36 03 36N
Longitude	118 55 15W
Operating Mode	
Interconnection Agreement	
Plant Operator	
Full Legal Name	Lower Tule River Irrigation District
Street Address	357 E Olive Avenue
City	Tipton
State	California
Zip	93272
Nameplate Capacity (MW)	1.4
Number of Generators	1

**Exhibit C
to the
Renewable Energy Purchase Agreement**

- RATE AGREEMENT -