

**POWER MANAGEMENT AND ADMINISTRATIVE SERVICES
AGREEMENT**

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This POWER MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. The Participants desire NCPA to establish facilities, staff and the capability for providing Power Management and Administrative Services, including, but not limited to, Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, risk management, and direct assignment activities.

D. NCPA has established facilities, staff and the capability for the efficient and cost effective provision of Power Management and Administrative Services to the Participants, pursuant to this Agreement, the Service Agreements and Good Utility Practice.

E. Power Management and Administrative Services benefit all Members who receive such services from NCPA. Power Management and Administrative Services are an integral part of NCPA's business function and are necessary in order to manage, operate, maintain and support NCPA and Member investments and service obligations.

F. An agreement is necessary to formalize the contractual relationships between NCPA and the Participants with regards to the role, scope, governance, and the equitable allocation of costs associated with Power Management and Administrative Services supplied by NCPA to the Participants.

G. This Agreement establishes the framework under which Participants shall enter into one or more Service Agreements with NCPA to take certain Power Management and Administrative Services from NCPA, and how costs associated with such services are to be allocated among the Participants receiving such services.

H. Each Participant agrees to pay its equitable share of costs associated with NCPA's provision of Power Management and Administrative Services in accordance with this Agreement and the Service Agreements.

I. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks inherent in the services and transactions undertaken on behalf of any given Participant or group of Participants.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance

premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing services and general risk management costs, that are charged directly or apportioned to Power Management and Administrative Services Annual Budget categories.

1.1.2 “Agreement” means this Power Management and Administrative Services Agreement.

1.1.3 “All Resources Bill” means the single, combined monthly bill from NCPA to a Participant with respect to all NCPA services, programs and NCPA Projects.

1.1.4 “Amended and Restated Facilities Agreement” or “Facilities Agreement” means that agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement which establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of NCPA Projects.

1.1.5 “Amended and Restated Market Purchase Program Agreement” or “Market Purchase Program Agreement” means the NCPA Amended and Restated Market Purchase Program Agreement dated as of September 10, 2012 by and between NCPA and the Members who are signatories to that agreement by which NCPA transacts Approved Products.

1.1.6 “Amended and Restated Scheduling Coordination Program Agreement” or “Scheduling Coordination Program Agreement” or “SCPA” means that agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement by which NCPA provides Scheduling Coordination Services.

1.1.7 “Annual Budget” means the NCPA budget for the current Fiscal Year adopted by the Commission, or in the event a two-year budget is adopted by the Commission if permitted by the NCPA Commission Bylaws or the Joint Powers Agreement, means the two-year budget for the applicable period.

1.1.8 “Approved Products” has the meaning as defined in the Amended and Restated Market Purchase Program Agreement.

1.1.9 “Balance of Month Transaction” means a purchase or sale of electric energy, capacity and/or other related attributes for a term not greater than one month to be performed or delivered within the current or next succeeding calendar month.

1.1.10 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time.

1.1.11 “Calendar Day” means all days, including Saturdays, Sundays or Federal Reserve Bank holidays.

1.1.12 “California Independent System Operator Corporation” or “CAISO” means the non-profit public benefit corporation responsible for the provision of fair and open transmission access, and maintaining reliable and efficient operation of that portion of the electric grid contained within its defined balancing authority area, pursuant to the California Public Utilities Code, or its successor entity.

1.1.13 “CAISO Tariff” means the CAISO FERC Electric Tariff.

1.1.14 “CARB” means the California Air Resources Board, or its successor organization.

1.1.15 “CARB Offset Credit” means a tradable compliance instrument issued by CARB pursuant to the GHG Regulations that represents a GHG reduction or GHG removal enhancement of one metric ton of carbon dioxide (“CO₂”).

1.1.16 “CARB Sector-Based Offset Credit” means a credit issued by CARB pursuant to the GHG Regulations from a sector-based crediting program once the crediting baseline for a sector has been reached.

1.1.17 “Commission” means the NCPA Commission established by the Joint Powers Agreement.

1.1.18 “Commissioner” means a voting member of the Commission.

1.1.19 “Contract Transaction” has the meaning as defined in the Amended and Restated Market Purchase Program Agreement.

1.1.20 “Electric System” means, with respect to each Participant except the San Francisco Bay Area Rapid Transit District (“BART”) and the City of Oakland, all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, or the utilization of such, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof, and in the case of BART all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to its public transportation system, and in the case of the City of Oakland, all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the Port of Oakland (as defined in the Charter of the City of Oakland); provided, however, that to the extent the Participant is not the sole owner of an asset or property or to the extent that an asset or property is used in part for generation for resale, transmission,

transformation, distribution or sale of electric capacity and energy, only the Participant's ownership interest in such asset or property or only the part of the asset or property used for electric purposes (or public transportation or Port of Oakland purposes in the case of BART or the City of Oakland, respectively) shall be considered to be part of its Electric System.

1.1.21 "Emissions Allowance" means a limited tradable authorization to emit up to one metric ton of carbon dioxide equivalent issued either pursuant to the GHG Regulations or federal law.

1.1.22 "Energy Risk and Counterparty Risk Management Regulations" means that certain NCPA Energy Risk and Counterparty Risk Management Regulations, version 1.7, approved September 24, 2012.

1.1.23 "Energy Risk Management Policy" means that certain NCPA Energy Risk Management Policy, version 1.3, approved June 16, 2011.

1.1.24 "Facilities Committee" or "Committee" means the committee established pursuant to Section 5 of the Amended and Restated Facilities Agreement.

1.1.25 "FERC" means the Federal Energy Regulatory Commission, or its regulatory successor.

1.1.26 "First Phase" of a NCPA Project means the initial planning stage conducted pursuant to the provisions of Section 6 of the

Amended and Restated Facilities Agreement and prior to the declaration of such Project as constituting a “NCPA Project” by the Commission.

1.1.27 “Fiscal Year” means the NCPA fiscal year; currently the twelve month period beginning July 1 and ending on the following June 30.

1.1.28 “General Manager” means the General Manager of NCPA.

1.1.29 “GHG Compliance Instrument” means any instrument, including but not limited to, Emission Allowance, CARB Offset Credit or CARB Sector-Based Offset Credit that can be used to fulfill a GHG emission compliance obligation imposed by the State or federal government.

1.1.30 “GHG Regulations” means the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanism regulations codified at 17 Code of California Regulations sec. 95801 *et seq.*, and adopted by CARB in compliance with the Global Warming Solutions Act (“AB 32”, California Health & Safety Code sec. 95801 *et seq.*).

1.1.31 “Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry within the United States of America during the relevant time period, which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected

to accomplish the desired result at the lowest reasonable cost consistent with NERC or WECC approved business practices, reliability and safety. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the electric utility industry within the United States of America.

1.1.32 "Greenhouse Gas" or "GHG" means carbon dioxide ("CO₂"), methane ("CH₄"), nitrous oxide ("N₂O"), sulfur hexafluoride ("SF₆"), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PFCs"), and other fluorinated gasses.

1.1.33 "Joint Powers Agreement" means the Amended and Restated Northern California Power Agency Joint Exercise of Powers Agreement dated as of January 31, 2008.

1.1.34 "Lodi Energy Center" or "LEC" means the NCPA Lodi Energy Center, a 280 MW combined cycle generation facility located in Lodi, California.

1.1.35 "Long-Term Transaction" means a purchase or sale of natural gas, electric power, capacity, transmission and/or other related attributes to be performed or delivered for a duration longer than a Balance of Month Transaction.

1.1.36 "Member" means any member of NCPA or associate member of NCPA who is a signatory to the Joint Powers Agreement.

1.1.37 "MSSA Agreement" means the Third Amended and Restated NCPA MSS Aggregator Agreement.

1.1.38 "Natural Gas Program Agreement" means the NCPA Natural Gas Program Agreement dated as of July 11, 2011 between NCPA and the Members who are signatories to that agreement by which NCPA purchases natural gas.

1.1.39 "NCPA" has the meaning set forth in the recitals hereto.

1.1.40 "NCPA Commission Bylaws" means the Rules of Procedure for the Commission of the Northern California Power Agency as adopted by resolution of the Commission.

1.1.41 "NCPA Project" means any Project undertaken by NCPA and one or more of its Members, other than the Lodi Energy Center, and which Project may also include a non-member as a participant, which has progressed beyond the First Phase (preliminary survey and investigation) pursuant to Section 6 of the Amended and Restated Facilities Agreement, and which has been designated by the Commission as a NCPA Project.

1.1.42 "NERC" means the North American Electric Reliability Corporation, or its successor.

1.1.43 “Operating Agreement” means any agreement, other than the Amended and Restated Facilities Agreement, that is entered into subsequent to or concurrently with a Third Phase Agreement, and that establishes the principles, procedures and rules for operating and maintaining a specific NCPA Project.

1.1.44 “Operating Entity” means a Project Participant, or a group of Project Participants, that determines the use of and coordinates scheduling of their Project Participation Percentage share of energy and capacity of a NCPA Project with NCPA, in accordance with established scheduling requirements, including those requirements determined by NCPA. NCPA may act as an Operating Entity for a Project Participant, or a group of Project Participants, pursuant to separate agreement.

1.1.45 “Operating Service Agreement” means an Operating Service Agreement between NCPA and one or more Members, utilizing the Professional Services/Operating Agreement adopted by the Commission, by which NCPA provides specific services, as described in the subject agreement, related to the operation of Member resources and other investments.

1.1.46 "Participant" has the meaning set forth in the recitals of this Agreement. Each Participant shall be a Member. Participants to this Agreement are listed in Schedule 1 of this Agreement.

1.1.47 "Party" or "Parties" has the meaning set forth in the recitals hereto; provided that "Third Parties" are entities that are not party to this Agreement.

1.1.48 "Pool Member" means a signatory to the Second Amended and Restated Pooling Agreement.

1.1.49 "Power Management and Administrative Services" means services provided by NCPA to the Members, pursuant to this Agreement and the Service Agreements, including, but not limited to, Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, energy risk management, and direct assignment, administrative and support activities related to the foregoing.

1.1.50 "Power Management and Administrative Services Schedules" or "Schedules" means the principles and/or procedures adopted by the Commission, which are appended to and made part of this Agreement, and are subject to change or amendment from time to time pursuant to Section 11.6.2.

1.1.51 "Power Management Services Costs" are costs associated with NCPA's provision of Power Management and Administrative Services, including, but not limited to, those costs and expenses associated with Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, energy risk management, and direct assignment, administrative and support activities related to the foregoing. Power Management Services Costs do not include that portion of the NCPA administrative, general and occupancy costs and expenses that are charged directly or apportioned to Power Management and Administrative Services Annual Budget categories; rather such costs are accounted for as Administrative Services Costs.

1.1.52 "Project" means a generation facility, transmission facility, natural gas facility, Long-Term Transaction, or other resource directly related to the Participants' business. Provided, however, that any Long-Term Transaction entered into pursuant to the Amended and Restated Market Purchase Program Agreement, Natural Gas Program Agreement, or other separate Service Agreements shall not be deemed to be a Project under the Amended and Restated Facilities Agreement.

1.1.53 "Project Agreement" or "NCPA Project Agreement" means an agreement including any Second Phase Agreement, Third Phase

Agreement or Operating Agreement, between NCPA and Project Participants, to enable NCPA, on behalf of Project Participants, to carry out plans for the construction, operation, delivery and financing of a NCPA Project.

1.1.54 "Project Indenture of Trust" means a document that contains the terms and conditions (such as the interest rate, maturity, date, convertibility, representations and covenants) governing a bond issuance as between NCPA and a bond trustee with respect to the financing of a NCPA Project.

1.1.55 "Project Participant" is a signatory to the Amended and Restated Facilities Agreement which enters into a Project Agreement with NCPA with respect to a particular NCPA Project.

1.1.56 "Project Participation Percentage" means the percentage of participation of a Project Participant in a NCPA Project as set forth in a Project Agreement. Project Participant Percentage is also commonly referred to as Project Entitlement Percentage, Project Entitlement Share, Participation Percentage or Generation Entitlement Share, each of which are synonymous.

1.1.57 "Revenues" means , with respect to each Participant with the exception of BART, all income, rents, rates, fees, charges, and other moneys derived by the Participant from the ownership or operation of its

Electric System, including, without limiting the generality of the foregoing:

(a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of electric capacity and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System; (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to its Electric System; and (c) the proceeds derived by the Participant directly or indirectly from the sale, lease or other disposition of all or a part of the Electric System, but the term Revenues shall not include (i) customers' deposits or any other deposits subject to refund until such deposits have become the property of the Participant or (ii) contributions from customers for the payment of costs of construction of facilities to serve them. In regards to BART, Revenues means, all income, rents, rates, fees, charges, grants, fares or tariffs, subventions and other moneys derived by the Participant from the operation of its Electric System including, without limiting the generality of the foregoing, (i) the earnings on and income derived from the investment of such income, rents, rates, fees, charges grants, fares or tariffs, subventions or other moneys and (ii) the proceeds derived by the Participant directly or indirectly from the sale, lease or other disposition of all or a part of its assets,

but the term Revenues shall not include any moneys derived from sources the use of which is limited by law to expenditures other than operating expenses.

1.1.58 "Scheduling Agent" means an entity authorized to act as agent on behalf of a Scheduling Coordinator, and shall perform certain Scheduling Coordinator duties and requirements on behalf of a Scheduling Coordinator.

1.1.59 "Scheduling Coordinator" means an entity certified by the CAISO for the purposes of undertaking the functions of a Scheduling Coordinator specified in the CAISO Tariff, including, but not limited to, submitting and settling bids, self-schedules, and trades in the CAISO markets.

1.1.60 "Scheduling Coordination Services" means the scheduling and settlement services provided by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

1.1.61 "Second Amended and Restated Pooling Agreement" or "Pooling Agreement" means the NCPA Second Amended and Restated Pooling Agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement which establishes an operating resource pool to jointly manage Pool Members' collective portfolios of loads and resources.

1.1.62 “Second Phase” means the second stage of NCPA Project planning and design pursuant to an agreement (“Second Phase Agreement”) between one or more of the Members and NCPA to proceed beyond the First Phase with study, design, or development of a NCPA Project.

1.1.63 “Service Agreements” mean the Amended and Restated Facilities Agreement, the Amended and Restated Scheduling Coordination Program Agreement, the Second Amended and Restated Pooling Agreement, the Amended and Restated Market Purchase Program Agreement, the Natural Gas Program Agreement, an Operating Service Agreement, a Single Member Services Agreement, or other agreements that may be developed by the Commission from time to time to provide services to Participants as described in Schedule 2 of this Agreement. Project Agreements are not considered to be Service Agreements under the context of this Agreement.

1.1.64 “Single Member Services Agreement” means a NCPA Single Member Services Agreement for Special Transactions between NCPA and a Member utilizing the pro forma NCPA Single Member Services Agreement adopted by the Commission, by which NCPA provides special services to the Member as described in the subject agreement relating to the operation of Member resources and other investments.

1.1.65 "State" means the State of California.

1.1.66 "Third Phase" means the third stage of a NCPA Project pursuant to an agreement ("Third Phase Agreement") between one or more of the Members and NCPA to participate in the financing, construction, operation, and/or rights to the capacity, energy and/or other attributes of a NCPA Project.

1.1.67 "Third Party" means an entity (including a Member) that is not a Party to this Agreement.

1.1.68 "Uncontrollable Forces" means storm, flood, lightning, earthquake, tsunami, fire, explosion, failure of facilities not due to lack of proper care or maintenance, civil disturbance, labor dispute, sabotage, war, national emergency, restraint by court or public authority, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other causes beyond the control of the affected Party which such Party could not reasonably have been expected to avoid by exercise of Good Utility Practice, due diligence and foresight.

1.1.69 "WECC" means the Western Electricity Coordinating Council, or its successor(s).

1.1.70 "Withdrawing Participant" has the meaning set forth in Section 7.2 of this Agreement.

1.2 Rules of Interpretation. As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms “herein,” “hereto,” “herewith” and “hereof” are references to this Agreement taken as a whole and not to any particular provision; the term “include,” “includes” or “including” shall mean “including, for example and without limitation;” and references to a “Section,” “subsection,” “clause,” “Appendix”, “Schedule”, or “Exhibit” shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended from time to time, or its successor. A reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a “day” shall mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and *vice versa*.

Section 2. Purpose. The purpose of this Agreement is to (i) set forth the terms and conditions under which NCPA will provide efficient and cost effective

Power Management and Administrative Services to a Participant, (ii) establish the framework under which a Participant shall enter into this Agreement and one or more Service Agreements with NCPA to obtain Power Management and Administrative Services from NCPA, and (iii) specify how costs associated with NCPA's provision of Power Management and Administrative Services are to be allocated among the Participants based on having participated in a NCPA Project or having executed one or more Service Agreements.

Section 3. Power Management and Administrative Services. Power Management and Administrative Services benefit all Members who receive such services from NCPA, and Power Management and Administrative Services are an integral part of NCPA's business function and are necessary in order to manage, operate, maintain and support NCPA and Member investments and service obligations. A Member who receives Power Management and Administrative Services from NCPA shall become a Participant to this Agreement, and shall become a signatory to one or more Service Agreements, based on the type of Power Management and Administrative Services that Participant receives from NCPA, as further set forth in this Agreement.

3.1 NCPA Project and Service Agreements. NCPA provides Power Management and Administrative Services to Participants pursuant to the terms and conditions of this Agreement, the Project Agreements, and the individual

Service Agreements. A Participant receives particular Power Management and Administrative Services from NCPA as an obligation of NCPA, by virtue of being a signatory to the relevant Project Agreements or Service Agreements under which NCPA provides or causes the provision of required services. The scope and application of each Service Agreement is described in Schedule 2 of this Agreement.

Pursuant to the amendment provisions contained in this Agreement and each respective Service Agreement, the signatories of said agreements may amend the terms and conditions of each agreement as deemed necessary. The Participants agree to conduct a periodic review of each agreement to determine if any terms or provisions of the agreements require amendment. Such periodic review shall be conducted at least every five (5) years from the Effective Date of this Agreement. The parties of each respective agreement shall act in good faith and shall cooperate in conducting such periodic review. If based on the outcome of such periodic review process the Participants determine that an agreement or agreements require amendment, such amendments shall be made in accordance with the amendment provisions contained in each respective agreement.

3.2 Power Management and Administrative Services Categories.

Power Management and Administrative Services are categorized based on the type and function of services provided. Costs associated with Power

Management and Administrative Services are accounted for based on the relevant categories of the services established by the Commission, or as otherwise set forth by the Commission in the Annual Budget. The functional categories that describe the types of Power Management and Administrative Services provided by NCPA in support of NCPA Projects and the Service Agreements are described in Schedule 3 of this Agreement.

Section 4. Cost Allocation. Costs associated with Power Management and Administrative Services, including Administrative Services Costs and Power Management Services Costs, shall be allocated among the Participants in accordance with methodologies and principles established by the Commission from time to time, as set forth in Schedule 4 of this Agreement.

4.1 Power Management and Administrative Services Costs. Each Participant agrees to and acknowledges its obligation to pay its allocated share of costs associated with Power Management and Administrative Services, including Power Management Services Costs and the portion of Administrative Services Costs allocated to Power Management and Administrative Services, as invoiced in its All Resources Bill subject to any applicable Project Agreement or Service Agreement dispute resolution provisions or procedures.

Section 5. Administration of Agreement.

5.1 Commission. The Commission is responsible for the administration of this Agreement. Each Participant shall be represented by its Commissioner or their designated alternate Commissioner (“Alternate”) pursuant to the Joint Powers Agreement. Each Commissioner shall have authority to act for the Participant represented with respect to matters pertaining to this Agreement.

5.2 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the Commission.

5.3 Quorum. For acting upon matters pertaining to this Agreement, a quorum of the Commission shall consist of those Commissioners, or their designated Alternates, representing a numerical majority of the Participants.

5.4 Voting.

5.4.1 General Administration. For acting upon matters that relate to general administration of this Agreement, each Participant shall have the right to cast one (1) vote. Actions of the Commission shall be effective only upon a majority vote of the Participants.

5.4.2 Power Management and Administrative Services Functional Categories and Cost Allocation Methodology. For acting upon matters that relate to the establishment of Power Management and

Administrative Services functional categories, as set forth in Schedule 3, or the methodology for allocating costs associated with Power Management and Administrative Services, as set forth in Schedule 4, the following voting procedure shall be used. Actions of the Commission regarding Schedule 3 and Schedule 4 shall be effective only upon both of the following conditions being satisfied:

(i) each Participant shall have the right to cast one (1) vote, and actions of the Commission shall be effective only upon an affirmative vote of eighty percent (80%) or more of the Participants; and

(ii) each Participant shall have the right to cast one (1) vote and each Participant's vote shall be weighted based on its percentage share of Power Management and Administrative Services Costs, including the portion of Administrative Services Costs allocated to Power Management and Administrative Services, as such costs are set forth in the prior Fiscal Year budget. Actions of the Commission shall be effective only upon an affirmative vote of sixty five percent (65%) or more of the weighted shares of the Participants; provided, however, if the voting right of any Participant exceeds thirty five percent (35%) that Participant's voting right shall be limited to thirty five percent (35%) and the Participant's voting right percentage in excess of thirty

five percent (35%) shall be proportionally reassigned to the Participants whose voting right percentage is less than thirty five percent (35%).

5.5 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to Power Management and Administrative Services, for at least the next succeeding Fiscal Year in accordance with the Joint Powers Agreement and this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

5.6 Facilities Committee. The Facilities Committee has been established pursuant to the Amended and Restated Facilities Agreement to act as an advisory committee to the Commission. The Commission or General Manager may refer matters pertaining to the administration of this Agreement to the Facilities Committee for review and recommendation, including, but not limited to, proposed amendments to this Agreement and to the Power Management and Administrative Services Schedules. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to the Participants. The Facilities Committee may act upon such matters referred

to it by the Commission in accordance with the procedures, including the general administration quorum and voting procedures, set forth in the Amended and Restated Facilities Agreement. Any recommendations of the Facilities Committee shall be made to the Commission, Project Participants, and others, as appropriate, in coordination with the General Manager.

Section 6. Term and Termination.

6.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date.

6.2 Term and Termination. This Agreement shall continue in full effect until terminated by consent of all Parties.

Section 7. Admission and Withdrawal of Participants.

7.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member who is not a Participant, and who desires to receive Power Management and Administrative Services from NCPA or is required to take such services (e.g. a Project Participant), shall become a Participant by executing this Agreement. Such Member will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

7.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement (“Withdrawing Participant”) by: (1) submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a Fiscal Year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement not later than the effective date of withdrawal; and (2) fully withdrawing its participation in the Service Agreement or Service Agreements it is signatory to, under which the Participant receives Power Management and Administrative Services, pursuant to the terms and conditions for withdrawal or termination specified in said Service Agreement or Service Agreements not later than the effective date of withdrawal from this Agreement; provided, however, if the withdrawal or termination provisions specified in the Service Agreement or Service Agreements in which the Withdrawing Participant is signatory require a notice of withdrawal or termination of less than two (2) years, the length of withdrawal notice required under this Agreement shall be made to be coterminous with the greatest length of notice contained in said Service Agreement or Service Agreements. The withdrawal requirements stated herein may be altered upon mutual agreement between NCPA and the Withdrawing Participant whereby all un-discharged liabilities, credits or obligations of the Withdrawing Participant, including any

contingent liabilities, credits or obligation, are fully satisfied. NCPA and the Withdrawing Participant shall negotiate in good faith and shall cooperate in reaching such mutual agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole discretion. Notwithstanding the provisions of this Section 7.2, a participant under the Amended and Restated Facilities Agreement that terminates its membership in the joint powers agency pursuant to the Joint Powers Agreement, but has not withdrawn its participation in the Amended and Restated Facilities Agreement, shall continue its participation in the Amended and Restated Facilities Agreement as a non-Member participant pursuant to Section 15.5 of the Amended and Restated Facilities Agreement. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

Pursuant to the respective Project Agreements, NCPA shall make available or cause to be made available services so that a Project Participant may receive its Project Participation Percentage share of capacity and energy from a NCPA Project. The Participants acknowledge and agree that one way NCPA may satisfy its obligation to cause or make available such services to the Participants is through the provision of Power Management and Administrative Services under this Agreement and the Service Agreements to the extent that

NCPA performs its obligations under this Agreement and the Service Agreements.

7.3 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

7.4 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

Section 8. Power Management and Administrative Services Schedules.

Power Management and Administrative Services Schedules may be established for the implementation of this Agreement. Power Management and Administrative Services Schedules provide detailed descriptions, procedures, protocols and guidelines for the provision and allocation of services provided under this Agreement and the Service Agreements. Power Management and

Administrative Services Schedules may be established, repealed or amended by the Commission in accordance with this Agreement.

Section 9. Precedence of Agreement. Where there is any conflict between this Agreement and the Joint Powers Agreement, a Project Agreement, a Service Agreement or a NCPA Project Indenture of Trust, the provisions in the Joint Powers Agreement, Project Agreement, Service Agreement or NCPA Project Indenture of Trust shall control.

Section 10. Settlement of Disputes and Arbitration.

10.1 Settlement of Disputes. The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in the remainder of this Section shall apply to all disputes that cannot be settled by the Participants themselves.

10.2 Facilities Committee and Commission Resolution. All disputes connected with this Agreement that cannot be resolved by the Parties themselves, may be submitted by any Party to the Facilities Committee, which shall consider the matter at its next regular meeting held not less than thirty (30) Calendar Days after the submission of the matter to it. If the Facilities Committee cannot resolve a dispute within thirty (30) Calendar Days after said

meeting, the dispute shall be submitted by the Facilities Committee to the Commission.

The Commission shall consider the matter at its next regular meeting held not less than thirty (30) Calendar Days after the submission of the matter to it. If the Commission cannot resolve a dispute within thirty (30) Calendar Days after said meeting, any Party to the dispute may commence mediation pursuant to Section 10.3.

The Facilities Committee and the Commission shall make best efforts to resolve all disputes submitted to them through discussion and negotiations. At any time during this process a Party or the Commission may suggest that a mediator with experience in the utility industry be asked to assist in such discussions and negotiations.

10.3 Mediation.

10.3.1 If informal dispute resolution by the Facilities Committee and Commission, as described in Section 10.2, fails, then prior to engaging in the arbitration outlined in Section 10.5, the Parties shall first attempt to settle any controversy or claim arising out of or relating to this Agreement, or breach thereof, through a mediation process by a disinterested third person, acceptable to the affected Parties. A formal mediation request shall be

submitted to the General Manager by any Party within ten (10) Calendar Days of the failure of dispute resolution by the Commission.

10.3.2 Once a mediation request is submitted by any Party, unless the Parties otherwise agree upon a mediator, each affected Party shall have thirty (30) Calendar Days in which to present to the General Manager a list of not more than three (3) disinterested mediators, each of whom shall preferably have experience in the utility industry and the subject matter area in question. Each Party in turn, in the order in which the lists are received by the General Manager, with NCPA exercising its turn last, may exercise the right to reject one (1) name from the list of mediators until only one (1) name is remaining. That person shall act as mediator. Any affected Party failing to present a list to the General Manager shall waive its right to participate in the selection of the mediator.

10.3.3 Each Party participating in the mediation shall bear its own attorney's fees and costs in preparing for and conducting the mediation, except that the joint costs, if any, of the actual mediation proceeding, including all costs of the mediator, shall be shared equally by all the Parties participating in the mediation. Mediation proceedings shall not extend beyond ninety (90) Calendar Days without the agreement of each of the Parties participating in the mediation.

10.4 Expedited Dispute Resolution Procedure.

10.4.1 At any time that a Party believes that a dispute exists which cannot be timely resolved under procedures set forth in Section 10.2 and 10.3, written notice shall be promptly provided by the Party to the General Manager and the Parties. Such notice shall provide a detailed explanation of the dispute and the position(s) of the Parties to the dispute. The notice shall also provide an explanation of why the dispute cannot be timely resolved under the procedures set forth in Section 10.2 and 10.3.

10.4.2 Upon receipt of such notice, the General Manager shall determine what actions are appropriate to effectuate a resolution of the dispute. In the event that the General Manager cannot effectuate a resolution of the dispute satisfactory to all Parties participating in the dispute resolution within five (5) Business Days of receipt of such notice, the General Manager shall immediately notify the Chair of the Commission and provide copies of the notice to the Chair together with any comments of the General Manager, concerning the dispute.

10.4.3 Upon receipt of such notice, the Chair of the Commission shall either place the dispute on the agenda of the next regular meeting of the Commission occurring not less than two (2) weeks from the date of receipt for the purpose of having the Commission mediate the dispute, or, if deemed

necessary by the Chair in his or her discretion, due to the need for timely resolution, call a special meeting of the Commission for the purpose of having the Commission mediate the dispute. If the Commission cannot effectuate a resolution of the dispute within thirty (30) Calendar Days of such meeting, any affected Party may immediately invoke the provisions of Section 10.5.

10.5 Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, which is not resolved by mediation or expedited dispute resolution as provided in Section 10.2, 10.3 or 10.4, shall be settled by binding arbitration in accordance with the procedures set forth in this Section 10.5. Provided, however, that the provisions of this Section 10.5 may be invoked by a Party only following the exhaustion of the remedies provided in Sections 10.2, 10.3 or 10.4, and any dispute, controversies or claims not raised in the manner provided therein are deemed waived.

10.5.1 Schedule. Unless otherwise agreed, if the disputing Party fails to commence arbitration within ninety (90) Calendar Days after the mediation process fails, as provided for in Section 10.3, or the failure of the expedited dispute resolution process, as provided for in Section 10.4, the disputing Party shall be deemed to have waived all claims with respect to such dispute.

10.5.2 Arbitration Rules. Except as otherwise provided in this Section, the arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association (“AAA”). Notwithstanding such rules: (1) discovery shall be permitted and the provisions of California Code of Civil Procedure Section 1283.05 are incorporated by reference herein; except that, the Parties shall not use interrogatories as a means of discovery; and (2) if such AAA rules and provisions as herein modified shall conflict with the laws of the State of California then in force, then California law shall govern.

10.5.3 Commencement and Notice. A Party (the “Initiating Party”) may commence arbitration by serving written notice of its intent to commence arbitration upon the other Parties. The written notice shall express the Initiating Party's intent to institute arbitration under this Agreement, and shall in adequate detail set forth the nature of the dispute, the issue to be arbitrated, the Initiating Party's position thereon, and the remedy to be sought by such arbitration.

10.5.4 Response. Within thirty (30) Calendar Days of the receipt of the notice commencing arbitration and statement of the dispute and proposed remedy prepared pursuant to Section 10.5.3, each Party desiring to respond (each a “Responding Party”) shall serve a written response upon the

Initiating Party and the other Parties stating its understanding of the issues in dispute, its position thereon, the reasons supporting its position and its proposed remedy. The notices and statements required under Section 10.5.3 and this Section shall constitute the "Submittal Statements." The Initiating Party and the Responding Party or Responding Parties are jointly referred to as "the Arbitrating Parties." All Parties shall be bound by the decision of the arbitrator, whether or not the Party is an Arbitrating Party.

10.5.5 Selection and Qualifications of Arbitrator. Within thirty (30) Calendar Days after delivery of the Initiating Party's written notice to commence arbitration, the Arbitrating Parties shall meet for the purpose of selecting a single impartial arbitrator. Unless otherwise agreed, in the event the Arbitrating Parties are unable to agree on the selection of an arbitrator at such meeting, they shall, within fifteen (15) Calendar Days of such meeting, request the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) to provide a list of five (5) impartial arbitrators from which to select the arbitrator. The proposed arbitrators shall be available to serve and shall be skilled and experienced in the field of the dispute.

No person shall be eligible for appointment as an arbitrator who is a member of a governing board, an officer or an employee of any of the

Parties (whether or not such Party is an Arbitrating Party) or is otherwise interested in the matter to be arbitrated.

Within thirty (30) Calendar Days after the date of receipt of such list, the Arbitrating Parties shall take turns striking names from said list until the arbitrator has been selected by being the last name remaining on the list. The order of the Arbitrating Parties (and where more than four (4) Arbitrating Parties exist, the identity of the Arbitrating Parties eligible to exercise the right to strike names) striking names will be selected randomly by drawing lots in a manner decided by the General Manager. Provided, however, that the Initiating Party shall always have the right to strike a name and that NCPA shall always have the last opportunity to strike a name. After each name is stricken from the list, the next Arbitrating Party will have two (2) Business Days to strike a name from the list. If an Arbitrating Party fails to timely strike a name, it waives its right to strike names, but the remaining Arbitrating Parties shall continue to strike names in their turn, until only one (1) name is remaining. That person shall act as arbitrator. Within ten (10) Calendar Days after selection of the arbitrator, each of the Arbitrating Parties shall submit to the arbitrator their Submittal Statements previously prepared and exchanged.

10.5.6 Arbitration Schedule. Within ten (10) Calendar Days after the submission of the Submittal Statements to the arbitrator, or as may otherwise be scheduled by the arbitrator in his or her discretion, the Arbitrating Parties shall meet with the arbitrator to establish a schedule for discovery, initial hearing, the time for the arbitrator to issue a decision after the close of hearing and any other rules for consideration. Should an Arbitrating Party fail to comply with any schedule established under this Section in a timely manner, that Arbitrating Party shall be deemed to have waived all claims with respect to the dispute. Such schedule may be modified by agreement of the Arbitrating Parties and the arbitrator.

10.5.7 Settlement. The Arbitrating Parties may settle the dispute at any time before the issuance of the arbitrator's decision.

10.5.8 Arbitrator's Authority and Decision. The arbitrator may grant any remedy or relief that is just and equitable and within the scope of this Agreement and the Submittal Statements. Thus, the arbitrator may effectuate a compromise among the Arbitrating Parties taking into account each Arbitrating Party's Settlement Statement.

The arbitrator shall issue a written decision which shall include findings of fact and conclusions of law with respect to the issues involved in the dispute. The arbitrator shall make his or her decision in accordance with

Good Utility Practice. The arbitrator may not grant any remedy or relief which is inconsistent with this Agreement or the Joint Powers Agreement. The arbitrator shall specify the time within which the Arbitrating Parties shall comply with the decision. In no event shall the arbitrator's decision contain findings on issues not contained in, or grant a remedy beyond that sought in, the Submittal Statements. The arbitrator shall have no authority to award punitive or consequential damages. The arbitrator shall have no authority, power or jurisdiction to alter, amend, change, modify, add to, or subtract from any of the provisions of this Agreement, the Joint Powers Agreement, or any other agreement between NCPA and its Members, nor to consider any issues arising other than from the language in and authority derived from this Agreement.

10.5.9 Binding Arbitration. The decision of the arbitrator shall be final and binding upon all Parties (whether or not Arbitrating Parties) and the Parties shall take whatever action is required to comply with the decision. The decision of the arbitrator may be enforced by any court or agency having jurisdiction.

10.5.10 Arbitration and Enforcement Expenses. Each Arbitrating Party shall bear its own expenses, including arbitrator's fees, attorney's fees and the fees and charges of expert witnesses, associated with

the arbitration. Provided, that if a resolution of the dispute is reached before the arbitrator issues an award, such expenses shall be borne as agreed by the Arbitrating Parties. Any and all expenses incurred by NCPA shall be treated as Power Management Services Costs.

Should any Party fail to abide by the decision of the arbitrator, any other Party may immediately seek relief in law or equity as may be appropriate. In such event, the prevailing Party shall be entitled to damages, if any, caused by the non-prevailing Party's failure to abide by the arbitrator's decision, and expenses caused by the enforcement of the arbitrator's decision, including, but not limited to, attorney's fees and the fees and charges of expert witnesses.

Section 11. Miscellaneous.

11.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then

the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

11.2 Indemnification and Hold Harmless. Subject to the provisions of Section 11.4, each Participant agrees to indemnify, defend and hold harmless

NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

11.3 Several Liabilities. Except as otherwise provided herein or in an applicable Service Agreement, no Participant shall be liable under this Agreement for the obligations of any other Participant, each Participant shall be solely responsible and liable for performance of its obligations under this Agreement and the obligation of each Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

11.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS

EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by

this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

11.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

11.6 Amendments.

11.6.1 Amendments in General. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

11.6.2 Addition, Amendment or Repeal of Power Management and Administrative Services Schedules. Any addition to, amendment to or repeal of the Power Management and Administrative Services Schedules attached hereto shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 5.4 of this Agreement, without the requirement of an approval of the individual Participants' governing bodies.

11.7 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

11.8 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

11.9 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

11.10 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each

Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

11.11 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

11.12 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

11.13 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

11.14 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

11.15 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

11.16 Assignment. No Member may assign or otherwise transfer its rights and obligations under this Agreement without the express written consent of NCPA. Such consent may not be unreasonably withheld.

11.17 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author

of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 11.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: General Counsel
Date: _____

By: _____
Its: City Attorney
Date: _____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: City Attorney
Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: City Attorney
Date: _____

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: Port General Counsel
Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: General Counsel
Date: _____

CITY OF ROSEVILLE
311 Vernon Street
Roseville, CA 95678

CITY OF SANTA CLARA
1500 Warburton Avenue
Santa Clara, CA 95050

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: City Attorney
Date: _____

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: General Counsel
Date: _____

By: _____
Its: City Attorney
Date: _____

TRUCKEE DONNER PUBLIC
UTILITY DISTRICT
11570 Donner Pass Rd
Truckee, CA 96161

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: General Counsel
Date: _____

SCHEDULE 1
LIST OF PARTICIPANTS

The following is a list of the Participants who are signatories to this Agreement:

City of Alameda
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Oakland, acting by and through its Board of Port Commissioners
City of Palo Alto
City of Roseville
City of Santa Clara
City of Ukiah
Plumas-Sierra Rural Electric Cooperative
San Francisco Bay Area Rapid Transit District
Truckee Donner Public Utility District

SCHEDULE 2
SERVICE AGREEMENTS

Pursuant to this Agreement a Participant who desires to receive Power Management and Administrative Services from NCPA shall become a signatory to one or more Service Agreements based on the type and function of the services requested. The following is a description of the Service Agreements and identifies the Service Agreements a Participant is required to become a signatory to in order to receive Power Management and Administrative Services from NCPA, based on the type and function of the services received by the Participant.

Section 1. Service Agreements.

1.1 Amended and Restated Facilities Agreement. The Amended and Restated Facilities Agreement establishes the framework under which Project Agreements are created for the development, design, financing, construction and operation of NCPA Projects. The Amended and Restated Facilities Agreement also contains various schedules that include detailed principles, descriptions and procedures for managing, operating, scheduling, billing and settlement for the NCPA Projects.

A Participant that is a Project Participant, or who desires to become a Project Participant and enter into a Project Agreement for the purpose of developing, designing, financing, constructing and operating a NCPA Project, is

required to become a signatory to the Amended and Restated Facilities Agreement.

1.2 Amended and Restated Scheduling Coordination Program Agreement. The Amended and Restated Scheduling Coordination Program Agreement establishes the framework under which NCPA supplies Scheduling Coordination Services to the signatories of that agreement. Scheduling Coordination Services include, but are not limited to, (i) the submission of schedules and bids for load, resources (including, but not limited to NCPA Projects, Member owned generation, other generation resources, imports and exports), trades and/or other CAISO products in the CAISO energy and ancillary services markets, (ii) obtaining and maintaining settlement quality meter data, (iii) reviewing, validating, reconciling and allocating CAISO settlement charges and credits.

A Participant that (i) is a Project Participant in a NCPA Project, (ii) is a Pool Member, or (iii) desires to take Scheduling Coordination Services from NCPA (including, but not limited to, the provision of Scheduling Coordination Services to a non-NCPA Project resource), is required to become a signatory to the Amended and Restated Scheduling Coordination Program Agreement.

1.3 Second Amended and Restated Pooling Agreement. The Second Amended and Restated Pooling Agreement establishes the framework under

which the Pool Members have established an operating resource pool to jointly manage their collective portfolios of loads and resources. Pursuant to the Second Amended and Restated Pooling Agreement, NCPA has established the facilities, staff and capabilities to provide services to the Pool Members, including, but not limited to, load forecasting and resource planning, purchasing and selling energy, capacity and other related products, and providing centralized dispatch and scheduling services for Pool Member loads and resources.

A Participant that desires to become a Pool Member and receive the services provided by NCPA under the Second Amended and Restated Pooling Agreement is required to become a signatory to the Second Amended and Restated Pooling Agreement.

1.4 Amended and Restated Market Purchase Program Agreement. The Amended and Restated Market Purchase Program Agreement establishes the framework under which NCPA may negotiate and enter into Contract Transactions to purchase or sell Approved Products on behalf of a signatory to that agreement.

A Participant that desires NCPA to enter into Contract Transactions on its behalf is required to become a signatory to the Amended and Restated Market Purchase Program Agreement.

1.5 Natural Gas Program Agreement. The Natural Gas Program Agreement establishes the framework under which NCPA may enter into term agreements to purchase natural gas on behalf of a signatory to that agreement.

A Participant that desires NCPA to enter into term agreements to purchase natural gas on its behalf is required to become a signatory to the Natural Gas Program Agreement.

1.6 Single Member Services Agreement. The Single Member Services Agreement establishes the framework under which NCPA may provide special services to a single Member, in the nature of an advisor or agent, by which the Member may receive an advantage by avoiding the cost of the embedded expertise that it would have to employ in the absence of NCPA, and the risks associated therewith, so that the Member may, at its sole risk, and without hazard to NCPA and its other Members, receive benefits, when other NCPA Members may not share interests in a Member's specific effort.

A Participant that desires NCPA to supply special services that may not otherwise be available through other existing Service Agreements intended to provide the desired services to more than a single Participant, is required to become a signatory to a Single Member Services Agreement.

1.7 Operating Service Agreement. The Operating Service Agreement establishes the framework under which NCPA may provide certain services, as

described in the subject agreement, related to the operation of Member resources and other investments, where the services desired by the Member include specific requirements or are not otherwise available pursuant to an existing Service Agreement.

A Participant that desires NCPA to supply services that include specific requirements or that are not otherwise available pursuant to an existing Service Agreement is required to become a signatory to an Operating Service Agreement.

1.8 Special Conditions. From time to time special conditions or requirements for services may be requested from NCPA by a Participant under which no existing Service Agreement is available to satisfy such needs. At the sole discretion of the Commission, certain “one-off” agreements may be developed between NCPA and a Participant, or group of Participants, to enable NCPA to provide such special services. An example of such special services is the Power Management Agreement Between Northern California Power Agency and Truckee Donner Public Utility District, entered into on August 1, 2007.

A Participant, or group of Participants, that desires NCPA to supply special services that are not otherwise available under an existing Service Agreement may submit a written request to the General Manager for such special services, and at the sole discretion of the Commission, NCPA may agree

to develop certain agreements to provide such requested services to a Participant or group of Participants.

SCHEDULE 3
POWER MANAGEMENT AND ADMINISTRATIVE
SERVICES CATEGORIES

Power Management and Administrative Services are categorized based on the type and function of services provided. NCPA supplies each of the following functional categories of Power Management and Administrative Services pursuant to and in support of the Service Agreements.

Section 1. Power Management and Administrative Services Categories.

1.1 Schedule Coordination. Scheduling Coordination Services include, but are not limited to, the development, validation and submission of schedules and bids to the CAISO and/or other balancing authority operator markets for NCPA and Member loads and resources, where NCPA acts as Scheduling Coordinator or Scheduling Agent, interchange management services, WECC and NERC compliance activities and support, and system control and data acquisition.

1.2 Real Time Dispatch. Real time dispatch services include, but are not limited to, monitoring and dispatching NCPA and Member loads and resources, outage coordination, management of unplanned outages and system emergencies, purchasing and selling energy and capacity in real time, and coordination and switching.

1.3 Power Pool Management. Power pool management services include, but are not limited to, load, resource and price forecasting, resource planning, optimization, risk analysis and management, pre-scheduling activities, power pool operations and settlement standards, contract administration, and industry restructuring and advocacy activities.

1.4 Resource Management. Resource management services include, but are not limited to, forecasting activities, resource planning, optimization, risk analysis and management, power and fuels transactions, pre-scheduling activities, contract administration, maintenance, negotiation and litigation support, and industry restructuring and advocacy activities.

1.5 Settlements. Power settlement services include, but are not limited to, CAISO settlement charge code validation and allocation, deal control tracking and data validation, contract support activities, analytical support to other NCPA business units and Members in the areas of energy transaction settlements and accounting, meter data validation and management, and development of the All Resources Bill and supporting information.

1.6 Risk Management. NCPA is responsible for providing risk management tools and procedures to protect Members from and mitigate risks inherent in the energy, natural gas, and other commodity trading markets, including the management and coordination of purchase and sale activities

within NCPA and Member risk management criteria. Common risk management activities performed by NCPA include, but are not limited to, assessment and management of NCPA and Member portfolio market exposure, monitoring economy and energy market developments, evaluating counterparty credit risk, maintaining policies and procedures, and organizing meetings with NCPA and Member staff to evaluate risk exposure and compliance with risk management policies established by the Commission. NCPA's provision of risk management services is made in accordance with the Energy Risk Management Policy and Energy Risk and Counterparty Risk Management Regulations.

1.7 Direct Assignment Activities. Direct assignment activities include, but are not limited to, information technology development, integration and maintenance used in conjunction with and in support of Power Management and Administrative Services (including software and hardware), term purchases and sales of energy, capacity, natural gas and other related attributes and commodities, market information and forecasting services, and other specific services provided as directed by the Commission from time to time, or in conjunction with or in support of the Service Agreements.

SCHEDULE 4
POWER MANAGEMENT AND ADMINISTRATIVE SERVICES
COST ALLOCATION METHODOLOGY

Section 1. Definitions. Unless defined in this Schedule 4, all terms used in this Schedule 4 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement:

1.1 “NCPA Power Management Cost Allocation Spreadsheet Model” shall mean the spreadsheet model first approved by the Commission, pursuant to Commission Resolution 10-16, that is based on the cost allocation principles and recommendations documented in the NCPA Power Management Cost Allocation Study Phase IIa Recommendations Final Report, dated January 14, 2010, as such spreadsheet model may be modified from time to time as directed by the Commission.

Section 2. Cost Allocation Methodology. Costs associated with Power Management and Administrative Services shall be allocated among the Participants in accordance with the NCPA Power Management Cost Allocation Spreadsheet Model.