

**ASSIGNMENT ADMINISTRATION AGREEMENT**

**FOR**

**WESTERN AREA POWER ADMINISTRATION BASE RESOURCE  
PERCENTAGE**

**BETWEEN**

**NORTHERN CALIFORNIA POWER AGENCY**

**AND**

**ASSIGNOR: \_\_\_\_\_**

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This ASSIGNMENT ADMINISTRATION AGREEMENT (“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 \_\_\_\_\_ (“Assignor”). NCPA and Assignor 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. Assignor is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. As a Member, Assignor entered into Contract \_\_\_\_\_ (“Assignment Contract”), dated \_\_\_\_\_, 20\_\_ whereby Assignor assigned its Base Resource Percentage under this Agreement to NCPA in order for NCPA to create a power resource portfolio for the mutual benefit of participating Members (collectively referred to as “Assignors”) beginning January 1, 2025.

D. NCPA has agreed to accept assignment of Assignor's Base Resource Percentage, and will administer the Assignment Contract for the benefit of Assignor according to the terms and conditions of this Agreement.

E. It is intended Assignor will receive an economic benefit from assigning its Base Resource Percentage to NCPA, with such benefit being equal to or greater than the benefit Assignor would have derived had Assignor's Base Resource Percentage been scheduled solely to service its own use.

F. NCPA anticipates taking assignment of additional Base Resource Percentages from other Assignors to likewise supply Joint Assignment Administration Services, and will strive to create benefits equal to or greater than those benefits individual Assignors would have derived had their Base Resource Percentage been scheduled solely for their own uses.

G. NCPA Members and other qualified entities assigning their respective Base Resource Percentages to NCPA expect to gain economies of scale and avoid certain costs associated with Base Resource Percentage delivery that would otherwise accrue if each Assignor's Base Resource Percentage had been scheduled separately and solely for each Assignor's own use.

H. NCPA will strive to equitably allocate a portion of the common savings generated, if any, associated with Joint Assignment Administration Services to Assignor in accordance with this Agreement.

I. Assignor desires NCPA to establish facilities, staff and the capability to enable NCPA to provide Joint Assignment Administration Services to Assignor.

J. NCPA has established facilities, staff and the capability for the provision of Joint Assignment Administration Services to Assignor.

K. This Agreement is an Operating Services Agreement; therefore, this Agreement shall be considered to be a Services Agreement pursuant to the Power Management and Administrative Services Agreement.

L. Assignor agrees to pay its allocated share of costs for Joint Assignment Administration Services pursuant to this Agreement and the Power Management and Administrative Services Agreement.

M. Assignor further desires, insofar as possible, to insulate itself and each other Member, whether or not such Member is also an Assignor, from risks inherent in the services and activities undertaken on behalf of any given Assignor or Assignors.

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, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 "Agreement" means this Assignment Administration Agreement, including all Appendices attached hereto.

1.1.2 "Assignment Contract" means the contract between NCPA and Assignor and approved by the Western Area Power Administration, providing for the assignment of Assignor's Base Resource Percentage to NCPA.

1.1.3 "Assignor" is a party to an Assignment Contract assigning its Base Resource Percentage to NCPA. Assignor is also a Member, a signatory to the Power Management and Administrative Services Agreement, and a signatory to this Agreement.

1.1.4 "Base Resource Percentage" means Assignor's percentage share of Western Area Power Administration Base Resource under its Base Resource Contract \_\_\_\_\_, prior to assigning the Base Resource Percentage to NCPA. Base Resource Percentage may be modified by Western Area Power Administration from time to time as contemplated in Base Resource Contract \_\_\_\_\_.

1.1.5 "Base Resource" means the energy, capacity and associated products made available from the Western Area Power Administration on a daily basis as a result of Assignor's Base Resource Percentage.

1.1.6 "Base Resource Energy" means the associated electrical energy and capacity made available from the Western Area Power Administration on a daily, monthly or annual basis as a result of Assignor's Base Resource Percentage.

1.1.7 "Joint Assignment Administration Services" has the meaning set forth in the Section 3.2 of this Agreement.

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

1.1.9 "NCPA Base Resource Contract" means Contract 21-SNR-02661, dated as of November 12, 2021 between NCPA and the Department of Energy Western Area Power Administration Sierra Nevada Region.

1.1.10 "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.

1.1.11 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of October 1, 2014, between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

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

1.2 Rules of Interpretation. All words and references as used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise, shall be interpreted pursuant to Section 1.2 of the Power Management and Administrative Services Agreement.

**Section 2. Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which NCPA will supply efficient and cost effective Joint Assignment Administration Services for Assignors Base Resource Percentages assigned to NCPA.

**Section 3. Duties and Authorities.**

3.1 Commission Duties. The Commission's duties and authorities include, but are not limited to, the following:

3.1.1 Act on behalf of NCPA in carrying out any action properly taken pursuant to the provisions of this Agreement. The Commission, or its designee, shall have the authority on behalf of all NCPA to execute any contract, lease or other instrument which has been properly authorized pursuant to this Agreement including documents supplementing this Agreement, contracts with Third Parties, contracts relating Base Resource and related items.

3.1.2 Establish standards, in addition to the authority provided in other sections of this Agreement, with respect to any aspect of arrangements between NCPA and Assignors, which it determines may adversely affect the



administration of the Base Resource Percentage assigned to NCPA, and to review such arrangements to determine compliance with such standards.

3.1.3 In addition, the Commission shall have such further powers and duties as are conferred or imposed upon it by other sections of this Agreement.

3.2 General Manager Duties. The General Manager, or his or her designee, shall have the duties and authorities as necessary to provide for the day-to-day administration of this Agreement, which include, but are not limited to, the following actions (collectively referred to herein as “Joint Assignment Administration Services”):

3.2.1 Carry out directions of the Commission with respect to matters related to this Agreement.

3.2.2 Coordinate interchange accounting and maintain records pertaining to the administration of the Base Resource Percentage assigned to NCPA, including determination of the volume of power delivered to each Assignor for each calendar month.

3.2.3 Supply certain Power Management and Administrative Services to Assignor, including, but not limited to, scheduling and settlement of Base Resource Energy in accordance with the terms and conditions of the Amended and Restated Scheduling Coordination Program Agreement and this Agreement.

3.2.4 Prepare and submit a proposed budget for assignment-related expenditures for the ensuing fiscal year to appropriate committees and the

Commission, on such schedule as established by the Commission or consistent with the NCPA annual budget process.

3.2.5 Furnish such information and reporting as are required to keep this Assignor informed of the outlook for, the functioning of, and results achieved with regard to the Base Resource Percentage assigned to NCPA.

3.2.6 Implement operating principles, practices and procedures as they relate to the economy of operation of the Base Resource Percentages assigned to NCPA.

3.2.7 Calculate costs for the Base Resource Percentage assignment transactions among Assignors.

3.2.8 Develop a billing system for Base Resource Percentage transactions pursuant to this Agreement, including criteria, rules, and standards thereto.

3.2.9 Issue an invoice to Assignor for Base Resource Percentage related costs.

3.2.10 Assist Assignor in making sales and purchases of generation and transmission capacity related to their Base Resource Percentage assigned to NCPA.

3.2.11 Initiate and make long and short-range planning studies with respect to the Base Resource Percentage assigned to NCPA. These studies shall be updated annually, or at such other times as the Commission may direct.

3.2.12 Develop any needed generation and transmission resource plans related to the Base Resource Percentage assigned to NCPA, in consultation with Assignor.

3.2.13 Act on behalf of Assignor, as directed in writing by Assignor, and in accordance with Assignor's power purchasing statutes, regulations, rules, ordinances, and charter, as they may apply, to subscribe to additional Western Area Power Administration products other than Base Resources, that Western Area Power Administration chooses to market in proportion to each of its customers' Base Resource Percentage, including taking delivery of environmental attributes for compliance purposes.

3.3 Assignor Duties. Assignor's duties and authorities include, but are not limited to the following:

3.3.1 Assignor shall cooperate with NCPA in providing its relevant load and resource data to NCPA in a timely fashion to insure NCPA can satisfy NCPA Base Resource Contract requirements, and that is required to enable NCPA to supply Joint Assignment Administration Services on behalf of Assignor.

3.3.2 Assignor shall indemnify NCPA in regard to Joint Assignment Administration Services provided by NCPA in accordance with this Agreement.

3.3.3 Assignor shall pay for all costs and charges incurred by NCPA under this Agreement, including, but not limited to, Base Resource costs, Administrative Services Costs and Power Management Services Costs.

**Section 4. Allocations.**

4.1 Western Allocations Excluded From this Agreement.

4.1.1 All benefits, costs, and energy schedules associated with the CVP Corporation's Energy Exchange Arrangements for Project Use and First Preference Support program shall not be subject to this Agreement. This exclusion applies to all Bank Energy and Bank Return Energy schedules allocated by the CVP Corporation.

4.1.2 Base Resource Percentage that is not assigned to NCPA will not be subject to this Agreement, and will be scheduled only for the benefit of the Member receiving the allocation.

4.1.3 A Member who does not assign its Base Resource Percentage to NCPA shall not be subject to this Agreement.

4.2 Determination of Benefits. In order to determine the benefits of assigning each Member's Base Resource Percentage to NCPA for joint administration, NCPA staff will first estimate the value of the Base Resource Percentage as if no assignment has

been executed, then compare this value with the value obtained through NCPA's joint administration of all Base Resource Percentages assigned to NCPA. The computational algorithm for this comparison is contained in Appendix A of this Agreement; however, such algorithm, as it may be refined from time to time by the Commission, shall be consistent with the following policy goals agreed to by each Assignor, namely (i) Base Resource Energy shall be fully utilized to the maximum extent possible, (ii) subject to (i) above, Base Resource Energy shall be scheduled during those time periods that maximize its value; and (iii) consistent with scheduling Base Resource Energy to maximize its overall net value, NCPA will also seek to reasonably minimize associated transmission-related and other applicable costs. NCPA staff shall monitor the results of the algorithm contained in Appendix A and recommend corrective action be taken if and when application of this procedure results in allocations of benefits and costs to Assignor that is inconsistent with the policy goals and allocation parameters described in this Section 4.

#### 4.3 Allocation of Benefits.

4.3.1 For each monthly accounting period, all benefits attained through NCPA's joint administration of Base Resource Percentages assigned to NCPA shall be allocated to Assignor proportionately to (i) the number of days this Agreement is in force that month, i.e., the fraction of the month this Agreement is in force, and (ii) the amount of Base Resource Energy attributed to Assignor hereunder.

4.3.2 One-half of any benefits shall be allocated to that group of Assignors providing Base Resource Energy in excess of their own load, and the remaining one-half of benefits shall be allocated to that group of Assignors whose load exceeds the Base Resource Energy they have assigned.

4.3.3 Each individual Assignor within either group shall receive a share of the group's benefit proportional to its contribution to the group's excess energy or excess load respectively, as further set forth in Appendix A.

**Section 5. Resource Planning.**

5.1 NCPA staff, in consultation with Assignor's staff, shall perform necessary forecasts, studies and resource planning related to maximizing the overall value of the integrated Base Resource Percentage assigned to NCPA. NCPA staff shall perform member-specific forecasts, studies and resource plans for the benefit of the individual Assignor so requesting only upon receiving a detailed written request from Assignor particularly describing the task requested to be performed as part of a duly authorized Services Agreement between the individual Assignor and NCPA.

**Section 6. Resource Sale and Purchase.**

6.1 Sales and Transfers to Third Parties. Sales and transfers of Base Resource Energy to entities that have not assigned a Base Resource Percentage to NCPA, under the authorization of the Western Area Power Administration, are strictly prohibited without the express written consent of the Western Area Power Administration.

6.2 Penalties. Any penalties incurred for violation of Section 6.1 shall be the sole responsibility of Assignor found to be in noncompliance with Section 6.1.

**Section 7. O&M Funding and Restoration Costs.**

7.1 NCPA shall pass through to Assignor on an as-billed basis any and all charges or credits related to the Western Area Power Administration Agreement for the Funding of Operations and Maintenance for Central Valley Project Power Facilities (“O&M Funding”) and the Central Valley Project Improvement Act Restoration Funding, as part of the normal billing procedure described in Section 9 of this Agreement.

**Section 8. Central Dispatch and Scheduling Services.**

8.1 Central Dispatch. Each Assignor shall, to the fullest extent practicable, subject its Base Resource Percentage to the central dispatch of NCPA. The objective of the central dispatch with respect to the Base Resource Percentage is to supply energy and capacity requirements of the combined Assignors at the lowest practicable costs, and in a reliable and safe manner.

8.2 Base Resource Scheduling. Base Resource Energy shall be scheduled in accordance with the terms and conditions of the Amended and Restated Scheduling Coordination Agreement, this Agreement and other applicable requirements. NCPA and Assignor shall cooperate to meet each applicable scheduling timeline and protocol

to maximize the value of the Base Resource Percentage assigned to NCPA, and correspondingly minimize related transmission costs.

**Section 9. Billing and Payments.**

9.1 Invoices. NCPA will issue an invoice to Assignor for its share of estimated and actual costs associated with NCPA's provision of Joint Assignment Administration Services, including Base Resource costs, Administrative Services Costs, Power Management Services Costs, O&M Funding costs, Central Valley Project Improvement Act Restoration Funding costs, and all other costs for services provided in accordance with this Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement and all other applicable agreements. At NCPA's discretion, invoices may be issued to Assignor using electronic media or physical distribution.

9.2 Payment of Invoices. All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

9.3 Late Payments. Any amount due and not paid by Assignor in accordance with Sections 9 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of



America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

9.4 Billing Disputes. Assignor may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days after the date of such invoice; nonetheless Assignor shall pay the full amount billed when due. If Assignor does not timely question or dispute the accuracy of any invoice in writing, then the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to Assignor. If NCPA and Assignor fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after Assignor has disputed it, then the General Manager shall promptly, but no later than the second Commission meeting after the failure to agree, submit the dispute to the Commission for resolution. If the Commission and Assignor fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days after its submission to the Commission, then the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 16 of this Agreement; provided, however, that prior to resorting to either mediation or arbitration proceedings, the full amount of the disputed invoice must have been paid.

9.5 Billing/Settlement Data and Examination of Books and Records.

9.5.1 Billing/Settlement Data. NCPA shall make billing and settlement data available to Assignor in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Assignor using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require Assignor to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

9.5.2 Examination of Books and Records. Assignor shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

**Section 10. Cooperation and Further Assurances.** Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party, which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

**Section 11. Assignor Covenants and Defaults.**

11.1 Assignor covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so it will, at all times, have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists; subject to Section 9.4 and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practice.

11.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by Assignor (the “Defaulting Assignor”):

(i) the failure of Assignor to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of Assignor to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following

receipt of a notice from NCPA demanding cure; provided, that this subsection shall not apply to any failure to make payments specified by subsection 11.2 (i));

(iii) if any representation or warranty of Assignor material to the services provided hereunder shall prove to have been incorrect in any material respect when made and Assignor does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from NCPA demanding cure; or

(iv) if Assignor is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

11.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces; provided, that in order to be relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager using telephone communication within two (2) Business Days after the onset of the Uncontrollable Force, and subsequently provide written notice to the General Manager within ten (10) Business Days after the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the

Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch; provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

11.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 11.2 above, as may be applicable, provided, however, upon request of the Defaulting Assignor the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

11.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default, which is not cured within the time limits specified in Section 11.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Assignor, NCPA may take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Assignor;

(ii) demand that the Defaulting Assignor provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default;

(iii) terminate this Agreement as to the Defaulting Assignor, on ten (10) Calendar Days prior written notice to the Defaulting Assignor; or

(iv) enforce all other rights or remedies available to it under any other agreement in which the Defaulting Assignor is a signatory.

#### 11.6 Effect of Termination or Suspension.

11.6.1 Generally. The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

11.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to Assignor in accordance with subsection 11.5(i), then such Assignor shall pay any and all reasonable costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA's provision of Joint Assignment Administration

Services, including Administrative Services Costs, that were not recovered from Assignor as a result of such suspension.

11.6.3 Termination. If this Agreement is terminated by NCPA with respect to Assignor in accordance with Section 11.5(iii), then such Assignor shall pay any and all costs incurred by NCPA as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination and any portion of costs associated with NCPA's provision of Joint Assignment Administration Services that were not, or will not be, recovered from Assignor as a result of such termination.

**Section 12. NCPA Administrative Costs.**

12.1 Cost of Services. All costs associated with NCPA's provision of Joint Assignment Administration Services to Assignor, including, but not limited to, Administrative Services Costs and Power Management Services Costs, shall be allocated to Assignor in accordance with this Agreement and the Power Management and Administrative Services Agreement.

12.2 Base Resource and Associated Costs. Assigner agrees to and acknowledges its mandatory obligation to pay its allocated share of costs associated with its Base Resource Percentage, including, but not limited to, Base Resource costs,

O&M Funding costs and Central Valley Project Improvement Act Restoration Funding costs, as invoiced in its All Resources Bill.

**Section 13. Administration of Agreement.**

13.1 General. The Commission has sole overall responsibility and authority for the administration of this Agreement. Any acts, decisions or approvals taken, made or sought by NCPA under this Agreement shall be taken, made or sought, as applicable, in accordance with the Joint Powers Agreement, the NCPA Commission Bylaws and Section 13.2 of this Agreement.

13.2 Action by Commission.

13.2.1 Forum. Whenever any action anticipated by or related to this Agreement is to be taken by Assignors, such actions shall be taken at a regular or special meeting of the Commission, but shall be participated in only by those Commissioners, or their designated alternates (“Alternate”), who represent Assignors.

13.2.2 Quorum. A quorum of the Commission, for purposes of acting upon matters relating to this Agreement, shall consist of those Commissioners, or their Alternate, representing each and every Assignor.

13.2.3 Voting. Each Assignor shall have the right to cast one vote with respect to matters pertaining to this Agreement. Actions of the Commission with



regard to this Agreement shall be effective upon the unanimous affirmative vote of all Assignors.

13.3 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 services provided under this Agreement, 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.

13.4 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 may, in coordination with the General Manager, 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 Appendices. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, then NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to Assignors. 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 and others, as appropriate, in coordination with the General Manager.

**Section 14. Term and Termination.**

14.1 Effective Date. This Agreement shall become effective on the date this Agreement has been duly executed by Assignor and NCPA (the “Effective Date”).

NCPA shall notify all Assignors in writing of the Effective Date.

14.2 Term and Termination. Of necessity, the term of this Agreement must coincide with the term of the underlying Assignor’s Assignment Contract. More specifically, this Agreement shall terminate automatically upon the termination of the Assignment Contract.

14.3 No Effect on Prior Liabilities. Termination of this Agreement 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.

Assignor shall not be obligated to compensate the remaining Assignors for loss of any benefits that would have accrued to the remaining Assignors if this Agreement was not terminated. Nor shall the remaining Assignors be obligated to compensate Assignor for any benefits that accrue to the remaining Assignors because of the termination.

**Section 15. Other Agreements.**

15.1 Precedence of Agreement. This Agreement complements the Joint Powers Agreement. It extends the responsibility and authorities assigned to the Commission and to the General Manager under the terms of the Joint Powers Agreement.

15.2 Pooling Agreement. This Agreement supersedes the Second Amended and Restated Pooling Agreement, and takes precedence with respect to issues addressed in this Agreement to the receipt, delivery, scheduling, accounting and billing for all Base Resource Percentage assigned to NCPA to which Assignor is entitled for as long as this Agreement is in effect.

15.3 Other Agreements. With the exception of the Power Management and Administrative Services Agreement and Amended and Restated Scheduling Coordination Program Agreement, this Agreement shall upon the Effective Date, take precedence with respect to issues addressed in this Agreement and also addressed in any other agreement between Assignor and NCPA. With respect to issues common to the Power Management and Administrative Services Agreement and Amended and Restated Scheduling Coordinator Program Agreement, the Power Management and Administrative Services Agreement and Amended and Restated Scheduling Coordinator Program Agreement shall take precedence over this Agreement.

**Section 16. Settlement of Disputes and Arbitration.** 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 Section 10

of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Parties; provided, that the provisions of Section 9.4 shall first apply to all disputes involving invoices prepared by NCPA.

**Section 17. Reports and Records.**

17.1 Reports. Assignor and NCPA shall each prepare and make available to the other all data necessary for each to (i) perform all duties required under this Agreement, and (ii) verify the accuracy of all amounts due and payable under this Agreement. Examples of data to be made available by NCPA at Assignor's request includes, but are not limited to:

17.1.1 All load data relevant to Assignor's Base Resource Percentage assigned to NCPA.

17.1.2 All CAISO or other cost information relevant to determining the cost savings obtained by Assignor due to the Base Resource Percentage assigned to NCPA.

17.1.3 Such additional reports and records as are reasonably requested in writing; provided, however, that Assignor so requesting shall reimburse NCPA for costs associated with producing reports that are not essentially completed or kept in the ordinary course of business.

17.2 Reports to Other Agencies. NCPA will submit such reports and records which are required or may be required by Western Area Power Administration, or

other local, state or referral agencies, as such reports and records are required for NCPA to fulfill its obligations under this Agreement.

**Section 18. Miscellaneous.**

18.1 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 Brown Act and 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 after receipt of the Disclosure Request. Within three (3) Business Days after receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) 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.

18.2 Indemnification and Hold Harmless. Subject to the provisions of Section 18.4, Assignor 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 (the "Damages"), to the extent caused by any act, omission, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of Assignor, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

18.3 Several Liabilities. No Assignor shall be liable under this Agreement for the obligations of any other Assignor, and each Assignor shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise

provided for herein, and the obligation of each Assignor under this Agreement is a several obligation and not a joint obligation with those of the other Assignors.

18.4 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 ASSIGNOR 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 ASSIGNOR 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.

18.5 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.

18.6 Amendments.

18.6.1 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.

18.6.2 Approval and Amendment to Appendices. Notwithstanding Section 18.6.1, any addition to, amendment to or removal of the Appendices of this Agreement shall take effect after being approved by the Commission in a manner



consistent with the voting procedures set forth in Section 12 without the requirement of an approval of Assignor's governing bodies.

18.7 Assignment of Agreement.

18.7.1 Binding Upon Successors. This Agreement, including the Appendices attached hereto, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

18.7.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld.

Without limiting the foregoing, this Agreement shall not be assigned by Plumas-Sierra Rural Electric Cooperative without the approval in writing of the Administrator of the Rural Electrification Administration Utilities Service.

18.8 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.

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

18.10 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.

18.11 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 Assignor's Commissioner or Alternate, and to the General Manager, or shall be transmitted to Assignor 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. 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.

18.12 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, Assignor shall deliver to NCPA a resolution of the governing body of Assignor evidencing approval of and authority to enter into this Agreement.

18.13 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.

18.14 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.

18.15 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 reasonable attorneys' fees, associated with the action.

18.16 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 18.15 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.

18.17 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.

IN WITNESS WHEREOF, NCPA and Assignor 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

ASSIGNOR NAME

ADDRESS

CITY, STATE, ZIP

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved as to form:

Approved as to form:

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: General Counsel \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: General Counsel \_\_\_\_\_  
Date: \_\_\_\_\_

**APPENDIX A**  
**BENEFITS SHARING ALLOCATION ALGORITHM**

*Updated: November 29, 2017*

**Introduction**

Steps 1-9 determine each Assignor’s monthly percentage allocator that will be used to distribute the benefits resulting from assigning the Base Resource to NCPA. Step 10 uses that percentage allocator to distribute the benefits.

All computational steps in this allocation algorithm will be implemented in a manner that is consistent with NCPA staff’s goal of scheduling the assigned Base Resource (BR) to maximize the economic market value of the BR.

**Step 1: Constrained Own-Load Optimal Dispatch**

NCPA staff shall perform after the fact monthly “own-load” optimal dispatch of each Assignor’s BR to establish the value of the individual BR allocation to each Assignor pre-assignments. The own-load dispatch shall be constrained by hourly loads equal to each Assignor’s gross hourly loads such that BR energy schedules cannot exceed 100 percent of load in any hour. In addition, revenues Assignor would have received from Western Area Power Administration (Western) through the re-marketing of its “standard” energy allocations (the portion of monthly energy allocations that cannot be utilized by Assignor) will be added to this value.

$$ValueOL_i = OLDDispatch_i \times LMP + RemarketingRevenues_i \quad (1)$$

Where

*OLDDispatch* = Assignor i hourly own-load constrained optimized BR dispatch  
*ValueOL* = Assignor i gross market value of *OLDDispatch*  
*LMP* = Hourly MEEA prices  
*RemarketingRevenues* = Estimated Western energy re-marketing revenue.

**Step 2: Net Value of Own-Load Constrained Dispatch**

All Western costs will be deducted from the values computed in Step 1.

$$AvgCostBR_m = \frac{BR\_Cost_m}{\sum_{d=1}^d \sum_{h=1}^{24} BR\_Schedule_{d,h}} \quad (2)$$

$$OL\_Const\_Cost_i = OL\_Dispatch_i \times AvgCostBR_m \quad (3)$$

$$NetValueOL_i = ValueOL_i - OLDispatch_i \times AvgCostBR_m \quad (4)$$

Where

- AvgCostBR* = Average cost of the Base Resource in month m
- d* = Number of days in a month
- BR\_Schedule* = NCPA's BR Schedule in month m
- BR\_Cost* = All Base Resource costs
- OL\_Const\_Cost* = Cost of Assignor i *OLDispatch*
- NetValueOL* = Net market value of Assignor i *OLDispatch*

### **Step 3: Unconstrained Own-Load Optimal Dispatch**

Perform individual optimal dispatches without load constraints. The difference in net value between this un-constrained net value and the net value of each Assignor's own-load constrained dispatch (NetValueOL) of Step 2 shall be the allocation determinant for 50% of the assignment benefit computed in Step 7.

$$NetBenOL_i = UnconstDisp_i \times LMP - UnconstDisp_i \times AvgCostBR_m - NetValueOL_i \quad (5)$$

$$AllocatorE_i = \frac{NetBenOL_i}{\sum_{i=1}^n NetBenOL_i} \quad (6)$$

Where

- NetBenOL* = Net value increase when the load constraint is removed
- UnconstDisp* = Optimized BR schedule without load constraint
- AllocatorE* = Energy provider BR value allocator used in step 7.

#### **Step 4: Daily Head-Room Value**

Compute the value of load “head-room” provided by each Assignor during the day. Head-room value is a function of each Assignor’s net load (net of constrained own-load BR schedules) in each time-step when NCPA’s actual BR schedule exceeds the sum of Assignors’ own-load BR energy schedule.

$$HR\_MW_{h,i} = \text{Max}(0, \text{Load}_{h,i} - \text{OL\_Dispatch}_{h,i}) \quad (7)$$

$$HR\_Need_h = \sum_{i=1}^n \text{Max}(0, \text{BR\_Schedule}_{h,i} - \text{Load}_{h,i}) \quad (8)$$

$$HR\_Share_{h,i} = \frac{HR\_MW_{h,i}}{\sum_{i=1}^n HR\_MW_{i,h}} \quad (9)$$

$$HR\_Value_i = \sum_{h=1}^{24} (HR\_Need_h \times LMP_{MEEA,h} \times HR\_Share_{h,i}) \quad (10)$$

$$HR\_Value_i = \begin{cases} \sum_{h=1}^{24} (HR\_Need_h \times LMP_{MEEA,h} \times HR\_Share_{h,i}), & \text{if } \text{BR\_Schedule}_h - \sum_{i=1}^n \text{OL}_{i,h} > 0 \\ 0, & \text{otherwise} \end{cases}$$

Where:

- HR\_MW* = Quantity of Headroom available in hour h from Assignor i
- HR\_Need* = Total quantity of Headroom needed by all the Assignors in hour h
- HR\_Share* = Percentage share of the Headroom made available in each hour by each Assignor
- BR\_Schedule* = Actual schedule of Western BR
- HR\_Value* = Daily value of Headroom provided by each assignor.

#### **Step 5: Allocation of Headroom Provider**

Compute the allocation determinant of 50% of the pooling benefit computed in Step 7 on the basis of the Headroom value for the month.

$$\text{Allocator } L_i = \frac{HR\_Value_i}{\sum_{i=1}^n HR\_Value_i} \quad (11)$$

#### **Step 6: Net Daily Benefit of BR Assignment**



Compute the daily net benefit of BR assignments to NCPA as the difference between the net market value of NCPA's actual BR schedule and the net market value of the sum of Assignors' own-load constrained daily dispatches. If the result is positive, then proceed to Step 7. If the result is negative proceed to Step 8.

$$NetValueBR = BR\_Schedule_h \times (LMP_h - AvgCostBR_m) \quad (12)$$

$$NetBenefit = NetValueBR - \sum_{i=1}^n NetValueOL_i \quad (13)$$

Where

*NetValueBR* = Daily net market value of *BR\_Schedule*

*NetBenefit* = The increase (or decrease) in **daily** BR value due to assignments

**Step 7: Allocate Positive Daily Net Benefit (Only if the Net Daily Benefit is Positive)**

Allocate one-half of the daily Net Benefit using AllocatorE and one-half using AllocatorL. Proceed to Step 9.

$$AssignorBen_{i,d} = NetBenefit_d \times \frac{1}{2} \times (AllocatorE_{i,d} + AllocatorL_{i,d}) \quad (14)$$

Where

*AssignorBen<sub>i</sub>* = Benefit of assignment allocated to Assignor i.

**Step 8: (Only if Daily Net Benefit is Negative); Zero Benefit from Assignment**

Set value of zero for each Assignor.

$$AssignorBen_i = 0 \text{ for all } i \quad (15)$$

**Step 9: Assign Constant Adjusted BR Percentage Shares for the Month**

Determine each Assignor's monthly percentage share of NCPA's BR by normalizing the sum of each Assignor's daily Assignor Benefit and Net Value of Own-Load constrained dispatch. Each Assignor's share of NCPA's BR schedules in each time-step during the month shall be equal to the percentage computed in this step. For example, if a Member's share in a given month is calculated as 15% in this step, that Member is assigned 15% of actual Western schedules each time-step during that month.

$$BRPct_i = \frac{\sum_{day=1}^d (AssignorBen_{i,day} + NetValueOL_{i,day})}{\sum_{day=1}^d \sum_{i=1}^n (AssignorBen_{i,day} + NetValOL_{i,day})} \quad (16)$$

Where

$BRPct_i$  = Optimized BR Percentage Shares. Assignor i share of  $BR\_Schedule$  and associated benefits.

### **Step 10: Assign Base Resource Costs**

Assign any difference between NCPA's actual BR costs and the sum of the Own-Load constrained monthly costs. Positive or negative differences will be distributed to each assignor using the optimized BR shares calculated in step 9. Each assignor's Western BR costs for the month (to be billed by NCPA) will equal the respective Own-Load constrained costs adjusted by this step added to Assignor's Base Resource share.

$$BRCost_i = OL\_Const\_Cost_i - BRPct_i \times (BR\_Cost_m - \sum_{i=1}^n OL\_Const\_Cost_i) \quad (17)$$

NCPA staff shall regularly monitor the results of this procedure and recommend corrective action to be taken if and when the application of this procedure results in counter-intuitive and/or unfair allocations of benefits and costs to Assignors.