

Contract 20-SNR-02366

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

CONTRACT FOR ELECTRIC SERVICE  
BASE RESOURCE  
WITH

CITY OF LOMPOC

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Signature Clause  
Resolution/Certificate

General Power Contract Provisions

- Exhibit A – Base Resource Percentage and Point(s) of Delivery
- Exhibit B – Exchange Program
- Exhibit C – Regulation and Reserves
- Exhibit D – Rate Schedule

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3  
4 UNITED STATES  
5 DEPARTMENT OF ENERGY  
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7 SIERRA NEVADA REGION

8 CONTRACT FOR ELECTRIC SERVICE  
9 BASE RESOURCE  
10 WITH

11 CITY OF LOMPOC

12 1. **PREAMBLE:** This Contract is made this \_\_\_\_\_ day of \_\_\_\_\_,  
13 202\_\_\_\_, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388);  
14 August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977,  
15 (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between  
16 the UNITED STATES OF AMERICA (United States), acting by and through the  
17 Administrator, Western Area Power Administration, Department of Energy, hereinafter  
18 called WAPA, represented by the officer executing this Contract, or a duly appointed  
19 successor, hereinafter called the Contracting Officer; and CITY OF LOMPOC, a  
20 municipal corporation, organized and existing under the laws of the State of California,  
21 hereinafter called the Contractor or Lompoc, its successors and assigns; each  
22 sometimes hereinafter individually called the Party, and both sometimes hereinafter  
23 collectively called the Parties.

24 2. **EXPLANATORY RECITALS:**

25 2.1 WAPA markets the surplus generation from, and operates a high-voltage  
26 transmission system as a part of, the Central Valley Project (CVP).

27 ///

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1 2.2 WAPA and the U.S. Department of the Interior, Bureau of Reclamation  
2 (Reclamation), have agreed to work together to efficiently serve Project Use and  
3 Preference Customer loads.

4  
5 2.3 On August 15, 2017, WAPA's final 2025 Power Marketing Plan (Marketing  
6 Plan) was published in the Federal Register (82 FR 38675). The Marketing Plan  
7 sets forth how WAPA's Sierra Nevada Region will market the power generated  
8 from the CVP and Washoe Project.

9  
10 2.4 The Marketing Plan provides that starting on January 1, 2025, WAPA will  
11 provide 98 percent of available CVP power to its existing Customers. Existing  
12 Customers will have the right to extend 98 percent of their current Base  
13 Resource percentage as provided in the Marketing Plan and under the terms and  
14 conditions of this Contract.

15  
16 2.5 Lompoc desires to purchase and WAPA is willing to provide a percentage  
17 of the Base Resource consistent with the Marketing Plan and the terms and  
18 conditions of this Contract.

19  
20 2.6 Under the Marketing Plan, WAPA requires that its Customers schedule  
21 power in accordance with applicable operating requirements, including those of  
22 the balancing authority area operator and WAPA's sub-balancing authority area  
23 requirements.

24  
25 2.7 WAPA markets power to Federal Preference Customers at the lowest  
26 possible rates consistent with sound business principles pursuant to Section 1.1  
27 of Delegation Order 00-037.00B.

28 ///

1 3. **AGREEMENT:**

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

3  
4 4. **EFFECTIVE DATE AND TERM OF CONTRACT:**

5 4.1 This Contract shall become effective on the date of execution and shall  
6 remain in effect until midnight of December 31, 2054, subject to prior termination  
7 as otherwise provided for herein.

8  
9 4.2 Lompoc may reduce its Base Resource percentage or terminate this  
10 Contract for any reason through June 30, 2024.

11  
12 4.3 The date of initial service under this Contract is January 1, 2025.

13  
14 5. **DEFINITION OF TERMS:**

15 As used herein, the following terms whether singular or plural, or used with or without  
16 initial capitalization, shall have the following meanings:

17 5.1 "Ancillary Services" means those services that are necessary to support  
18 the transmission of capacity and energy from resources to loads while  
19 maintaining reliable operation of the transmission system in accordance with  
20 Good Utility Practice.

21  
22 5.2 "BANC" means the Balancing Authority of Northern California or its  
23 successor.

24  
25 5.3 "Base Resource" means CVP and Washoe Project power (capacity and  
26 energy) output determined by WAPA to be available for Customers, including the  
27 Environmental Attributes, only after meeting the requirements of Project Use and

28 ///

1 First Preference Customers, and any adjustments for maintenance, reserves,  
2 system losses, and certain ancillary services.

3  
4 5.4 “Base Resource Operating Capability” means that portion of the Maximum  
5 Operating Capability that WAPA determines to be available to Customers in any  
6 hour.

7  
8 5.5 “CAISO” means the California Independent System Operator or its  
9 successor.

10  
11 5.6 “Capacity” means the electrical capability of a generator, transformer,  
12 transmission circuit or other equipment.

13  
14 5.7 “Central Valley Project (CVP)” means the multipurpose Federal water  
15 development project extending from the Cascade Range in northern California to  
16 the plains along the Kern River, south of the City of Bakersfield.

17  
18 5.8 “Custom Product” means a combination of products and services which  
19 may be made available by WAPA per Customer request.

20  
21 5.9 “Customer” means an entity with a contract and receiving electric service  
22 from WAPA’s Sierra Nevada Region.

23  
24 5.10 “Energy” means capacity measured in terms of the work it is capable of  
25 doing over a period of time; electric energy is usually measured in kilowatthours  
26 or megawatthours.

27 ///

28 ///

1 5.11 “Environmental Attributes” means any and all credits, benefits, emissions  
2 reductions, offsets, and allowances, howsoever entitled, attributable to the Base  
3 Resource, and its avoided emission of pollutants.

4  
5 5.12 “FERC” means the Federal Energy Regulatory Commission or its  
6 successor.

7  
8 5.13 “First Preference Customer” means a Preference Customer within a  
9 county of origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity  
10 River Division Act (69 Stat. 719) and the New Melones Project provisions of the  
11 Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

12  
13 5.14 “Full Load Service Customer” means a Customer that will have its entire  
14 load at its delivery point(s) met by WAPA, and its Portfolio Manager functions for  
15 those delivery point(s) performed by WAPA.

16  
17 5.15 “Marketing Plan” means WAPA’s final 2025 Power Marketing Plan for the  
18 Sierra Nevada Region.

19  
20 5.16 “Maximum Operating Capability” means the maximum electrical capability  
21 from CVP generation available to produce energy, capacity and/or provide  
22 ancillary services in any one or more hours.

23  
24 5.17 “Minimum Base Resource” means the amount of Base Resource energy  
25 generated each hour as a result of CVP minimum water releases.

26  
27 5.18 “NERC” means the North American Electric Reliability Corporation or its  
28 successor.

1 5.19 "Operating Reserves" means the combination of spinning and non-  
2 spinning reserves required to meet WECC, NERC, and operating requirements,  
3 including those of the balancing authority area or WAPA's sub-balancing  
4 authority area.

5  
6 5.20 "Portfolio Manager" means an entity responsible for determining balanced  
7 hourly load and resource schedules for a Customer.

8  
9 5.21 "Power" means capacity and energy.

10  
11 5.22 "Preference" means the requirements of Reclamation Law that provide for  
12 preference in the sale of Federal power be given to certain entities, such as  
13 governments (state, Federal and Native American), municipalities and other  
14 public corporations or agencies, and cooperatives and other nonprofit  
15 organizations financed in whole or in part by loans made pursuant to the Rural  
16 Electrification Act of 1936 (See, e.g., Reclamation Project Act of 1939,  
17 Section 9(c), 43 USC 485h(c)).

18  
19 5.23 "Primary Marketing Area" means the area generally encompassing  
20 northern and central California, extending from the Cascade Range to the  
21 Tehachapi Mountains and west-central Nevada.

22  
23 5.24 "Project Use" means power as defined by Reclamation Law and/or used to  
24 operate CVP and Washoe Project facilities.

25  
26 5.25 "Rate" means the monetary charge or the formula for computing such a  
27 charge for any electric service provided by WAPA, including but not limited to  
28 charges for capacity (or demand), energy, or transmission service; however, it



1 does not include leasing fees, service facility charges, or other types of facility  
2 use charges. A Rate will be set forth in a Rate Schedule or in a contract.

3  
4 5.26 "Rate Adjustment" means a change in an existing Rate or Rates, or the  
5 establishment of a Rate or Rates for a new service. It does not include a change  
6 in Rate Schedule provisions or in contract terms, other than changes in the price  
7 per unit of service, nor does it include changes in the monetary charge pursuant  
8 to a formula stated in a Rate Schedule or a contract.

9  
10 5.27 "Rate Adjustment Procedures" means those procedures for Rate  
11 Adjustments developed by WAPA, Department of Energy (DOE) or FERC which  
12 include DOE Order 00-037.00B, DOE Order RA 6120-2, 10 CFR 903, and  
13 18 CFR 300, as may be amended.

14  
15 5.28 "Rate Effective Date" means the first date of the billing period to which a  
16 Rate Schedule or Rate Schedule extension applies. WAPA will provide notice to  
17 the Customers of the Rate Effective Date.

18  
19 5.29 "Rate Schedule" means a document identified such as a "Rate Schedule,"  
20 "Schedule of Rates," or "Schedule Rate" which designates the Rate or Rates  
21 applicable to a class of service specified therein and may contain other terms  
22 and conditions relating to the service. On the effective date of this Contract,  
23 18 CFR 300.1(b)(6) provides FERC may not approve a WAPA Rate Schedule for  
24 a period that exceeds five (5) years. The Rate Schedule shall include the Rate  
25 Effective Date and the effective period of the Rate Schedule.

26 ///

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28 ///

1 5.30 “Regional Transmission Organization (RTO)” means an organization that  
2 meets the minimum characteristics and performs the minimum functions  
3 specified in FERC Order 2000, as that order may be amended or superseded.  
4

5 5.31 “Regulation” means the service provided by generating units equipped  
6 and operating with automatic generation control which will enable such units to  
7 respond to direct control signals in an upward or downward direction to match, on  
8 a real time basis, demand and resources, consistent with WECC, NERC, and the  
9 balancing authority area operator’s criteria.  
10

11 5.32 “Scheduling Coordinator” means an entity that is responsible for providing  
12 hourly load and resource schedules to the balancing authority area operator or  
13 WAPA’s sub-balancing authority area, in accordance with a FERC-approved tariff  
14 or WAPA’s procedures and practices.  
15

16 5.33 “Variable Resource Customer” means a Customer that is responsible for  
17 managing its own energy portfolio.  
18

19 5.34 “Washoe Project” means the Federal water project located in the  
20 Lahontan Basin in west-central Nevada and east-central California.  
21

22 5.35 “WECC” means the Western Electricity Coordinating Council or its  
23 successor.  
24

25 6. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

26 6.1 At the beginning of each water year, WAPA will post to WAPA’s external  
27 website a five-year forecast of Base Resource Operating Capability estimated to  
28

///

1 be available, based on high, average, and low hydrological conditions. The  
2 forecast will contain the following information:

3 6.1.1 Maximum Operating Capability of the CVP for each month;

4 6.1.2 Energy required for estimated Project Use loads, First Preference  
5 Customers' loads, and ancillary service requirements.

6  
7 6.2 Each month, WAPA will post to WAPA's external website a monthly Base  
8 Resource forecast of Base Resource Operating Capability and energy estimated  
9 to be available for each month on a rolling twelve-month basis, based on high,  
10 average, and low hydrological conditions. The monthly forecast will contain the  
11 following information:

12 6.2.1 Maximum Operating Capability of the CVP for each month;

13 6.2.2 Energy required for estimated Project Use loads, First Preference  
14 Customers' loads, and ancillary service requirements.

15  
16 6.3 WAPA shall make reasonable efforts, within its control, to ensure the  
17 forecasted Base Resource will be available.

18  
19 7. **ELECTRIC SERVICE FURNISHED BY WAPA:**

20 7.1 Lompoc will be entitled to receive a percentage of the Base Resource as  
21 set forth in Exhibit A.

22  
23 7.2 The estimated amount of energy available to Lompoc shall be determined  
24 by multiplying its Base Resource percentage by the total amount of Base  
25 Resource energy available during that period.

26 ///

27 ///

28 ///

1 7.3 The minimum amount of energy Lompoc will be required to schedule for  
2 each hour shall be determined by multiplying its Base Resource percentage by  
3 the Minimum Base Resource, unless otherwise agreed to by WAPA. However, if  
4 Lompoc does not have sufficient load to take its percentage of the Minimum  
5 Base Resource, any excess energy shall be made available to WAPA for the  
6 Exchange Program as described later in this Contract under Section 10 and  
7 Exhibit B.

8  
9 7.4 The maximum amount of energy Lompoc may schedule in any hour shall  
10 be determined by multiplying its Base Resource percentage by the Base  
11 Resource Operating Capability. However, Lompoc may schedule energy in  
12 excess of this maximum, if approved by WAPA, to accommodate purchases or  
13 exchanges from the Exchange Program.

14  
15 7.5 Lompoc will be entitled to the benefit of available regulation and operating  
16 reserves from the CVP in proportion to its Base Resource percentage. The  
17 method for calculating regulation and operating reserves is set forth in Exhibit C.

18  
19 7.6 WAPA's obligation to provide Lompoc's Base Resource is limited to the  
20 actual CVP generation available on a real-time basis. WAPA shall have no  
21 obligation to replace any Base Resource that is unavailable; for instance, Base  
22 Resource that is unavailable due to scheduled maintenance, system  
23 emergencies, forced outages, or other constraints. Any costs incurred by either  
24 Party as a result of deviations between actual and scheduled Base Resource  
25 energy shall be the responsibility of Lompoc. WAPA will notify Lompoc as soon  
26 as reasonably practicable of any situation that will impact the availability of the  
27 Base Resource, and will modify schedules accordingly, on a pro-rata basis.

28 ///

1 7.7 Due to the variable nature of the Base Resource, WAPA may provide a  
2 Custom Product upon a Customer's request. Any Custom Product will be the  
3 subject of a separate contractual arrangement.  
4

5 8. **DELIVERY ARRANGEMENTS:**

6 8.1 WAPA will make Lompoc's Base Resource available at the generator bus  
7 or such other delivery point(s) on the CVP transmission system as the Parties will  
8 mutually agree, as specified in Exhibit A. WAPA reserves Network Integration  
9 Transmission Service for the delivery of Base Resource on the CVP transmission  
10 system under its Open Access Transmission Tariff (OATT). The rates and terms  
11 of this service shall be in accordance with WAPA's then-current rate schedule  
12 and OATT.  
13

14 8.2 If requested by WAPA, Lompoc must provide written notification to WAPA  
15 by July 1, 2024, demonstrating that it has arranged for delivery of its Base  
16 Resource energy to its load. Such notification shall include both transmission  
17 and distribution level arrangements, as applicable. WAPA shall have no  
18 obligation to make Base Resource available to Lompoc if delivery arrangements  
19 are not in effect. However, Lompoc shall not be relieved of its obligation to pay  
20 its percentage share of the Base Resource during the time in which delivery  
21 arrangements are not in effect.  
22

23 9. **SCHEDULING PROCEDURES, BUSINESS PRACTICES AND PROTOCOLS:**

24 9.1 All energy furnished by WAPA to Lompoc will be provided on a scheduled  
25 basis. Lompoc agrees to abide by the scheduling procedures, business  
26 practices and protocols of the applicable balancing authority area or WAPA's  
27 sub-balancing authority area, as set forth on WAPA's website. The Parties  
28 recognize that the scheduling procedures, business practices and protocols may

1 require modification from time-to-time to reflect updated operating procedures  
2 that may become applicable to the Parties. In such event, WAPA will make such  
3 changes in accordance with Section 17 of this Contract.

4  
5 9.2 Designation of Scheduling Coordinator (SC): If Lompoc is required to  
6 have a Scheduling Coordinator; Lompoc shall notify WAPA of its designated  
7 Scheduling Coordinator not less than ninety (90) days prior to the date of initial  
8 service under this Contract. In the event that Lompoc's Scheduling Coordinator  
9 arrangement changes, Lompoc shall notify WAPA in writing, not less than thirty  
10 (30) days prior to the change, unless a shorter notification period is agreed to by  
11 WAPA.

12  
13 **9.3 If WAPA is Lompoc's Portfolio Manager, as set forth in a separate**  
14 **Custom Product Contract, all scheduling activities and responsibilities will**  
15 **be performed by WAPA on behalf of Lompoc.** At such time as WAPA is no  
16 longer Lompoc's Portfolio Manager, then Lompoc will be responsible for  
17 performance of its duties under this Section 9.

18  
19 9.4 WAPA will provide Customers with the opportunity to comment on  
20 WAPA's maintenance and operations plans. WAPA will facilitate Customer  
21 meetings with the Bureau of Reclamation regarding cost and operation planning.

22  
23 9.5 In the event that Lompoc does not abide by the protocols, business  
24 practices and procedures and WAPA incurs costs as a result, Lompoc is  
25 responsible for and shall pay such costs.

26 ///

27 ///

28 ///

1 10. **EXCHANGE PROGRAM:**

2 10.1 WAPA will establish and manage an Exchange Program to allow all  
3 Customers to fully and efficiently use their Base Resource percentage. The  
4 Exchange Program is a mechanism to:

5 10.1.1 Make available to WAPA, for provision to other Customers, any  
6 Base Resource energy a Customer cannot use on a pre-scheduled basis  
7 due to insufficient load; and

8 10.1.2 Help mitigate the costs incurred by a Customer for the power it is  
9 obligated to pay for, but may not be able to use.

10  
11 10.2 Under the Exchange Program, all Base Resource energy in excess of  
12 Lompoc's load will be retained by WAPA and offered by WAPA for sale to other  
13 Customers. Lompoc may purchase energy from the Exchange Program. While  
14 WAPA's retention of excess Base Resource is mandatory, purchasing from the  
15 Exchange Program is voluntary.

16  
17 10.3 The Exchange Program procedures are set forth in Exhibit B. WAPA may  
18 change the program and procedures of the Exchange Program in accordance  
19 with Section 17 of this Contract.

20  
21 10.4 WAPA will also offer a seasonal Exchange Program. Under the seasonal  
22 Exchange Program, Lompoc may elect to make available to WAPA that portion  
23 of its Base Resource percentage that it is unable to use due to insufficient load.  
24 Lompoc, through WAPA, will be able to exchange its unusable Base Resource  
25 percentage with other Customers. Any Customer may submit a request to  
26 WAPA to exchange or purchase energy through the seasonal Exchange  
27 Program. Details of a seasonal exchange will be developed with the Customer  
28 upon request by that Customer.

1 10.5 Exchanges of the Base Resource between Lompoc and others outside of  
2 the WAPA-managed Exchange Programs, or other WAPA-managed programs,  
3 are prohibited.  
4

5 **11. INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION**

6 **ORGANIZATION:**

7 11.1 WAPA is a sub-balancing authority area within BANC. WAPA operates in  
8 conformance with its sub-balancing authority area and BANC's balancing  
9 authority area protocols, business practices and procedures. In the event of  
10 changes to any protocols, business practices and procedures, WAPA may make  
11 any changes necessary to this Contract to conform to the operating and  
12 scheduling protocols, business practices and procedures in accordance with  
13 Section 17 of this Contract.  
14

15 11.2 The Parties understand that, in the future, WAPA may also change its  
16 operating configuration such as by: (1) joining an independent system operator or  
17 RTO or (2) participating in future markets such as energy imbalance markets; or  
18 (3) making system configurations to meet future operating requirements. In such  
19 an event, if WAPA is required to conform to the protocols, business practices or  
20 procedures, WAPA shall make changes to this Contract to conform to the terms  
21 and conditions required by such events in accordance with Section 17 of this  
22 Contract.  
23

24 11.3 In the event that: 1) WAPA incurs costs from the balancing authority area,  
25 WAPA's sub-balancing authority area, CAISO, an RTO, or a different balancing  
26 authority area for serving Lompoc's load; or 2) Lompoc does not abide by the  
27 protocols business practices, or procedures of the balancing authority area, an  
28 RTO, or other balancing authority area operator that are applicable to WAPA and



1 WAPA incurs costs as a result, Lompoc agrees to pay all such costs attributable  
2 to Lompoc.

3  
4 12. **WAPA RATES:**

5 12.1 The Base Resource will be provided on a take-or-pay basis. Lompoc will  
6 be obligated to pay its Base Resource percentage share in accordance with the  
7 Rate Schedule attached hereto, whether or not it takes or uses its full Base  
8 Resource percentage.

9  
10 12.2 Lompoc shall pay for the electric service furnished hereunder in  
11 accordance with the Rates, charges, and conditions set forth in the CVP  
12 Schedule of Rates applicable to the Base Resource, effective January 1, 2025,  
13 or any superseding Rate Schedule.

14  
15 12.3 Rates applicable under this Contract shall be subject to change by WAPA  
16 in accordance with appropriate Rate Adjustment Procedures. If, at any time,  
17 WAPA announces that it has received approval of a Rate Schedule, or extension  
18 of an existing Rate Schedule applicable to this Contract, or if a Rate Adjustment  
19 Procedure is amended, WAPA will promptly notify Lompoc thereof.

20  
21 12.4 Lompoc, by providing written notice to WAPA within ninety (90) days after  
22 the Rate Effective Date of a Rate Schedule or Rate Schedule extension  
23 applicable to this Contract, may elect to reduce its Base Resource percentage or  
24 terminate this Contract. Lompoc shall designate a Base Resource percentage  
25 reduction or termination effective date that will be effective on the last day of the  
26 billing month not later than two (2) years after the Rate Effective Date. If the  
27 termination effective date is after the Rate Effective Date, the new or extended  
28 Rates shall apply for service taken by Lompoc until the termination effective date.

1 Once Lompoc provides notice to terminate or reduce its Base Resource  
2 percentage, WAPA will begin the process to reallocate the Base Resource to  
3 other Preference Customers. Lompoc may not revoke its notice to terminate or  
4 reduce its Base Resource unless WAPA provides written consent.

5  
6 12.5 Rates shall become effective under this Contract on the Rate Effective  
7 Date stated in a Rate notice.

8  
9 **13. INTEGRATED RESOURCE PLAN:**

10 13.1 In accordance with the Energy Policy Act of 1992, Lompoc is required to  
11 meet the requirements of WAPA's Energy Planning and Management Program  
12 (EPAMP). To fulfill the requirements of EPAMP, Lompoc must develop and  
13 submit an integrated resource plan or alternative report, as applicable. Specific  
14 EPAMP requirements are set forth in the Federal Register at (64 FR 62604) and  
15 may be found on WAPA's website. Failure to comply with WAPA's EPAMP  
16 requirements may result in penalties as specified therein. Lompoc understands  
17 that WAPA may re-evaluate its EPAMP requirements and change them from  
18 time-to-time as appropriate. Such changes will be subject to a public process  
19 and publication in the Federal Register.

20  
21 13.2 Should the EPAMP requirements be eliminated, Lompoc shall have no  
22 responsibilities under Section 13.1.

23  
24 **14. ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

25 14.1 Prior to the date of initial service, WAPA may adjust Lompoc's Base  
26 Resource percentage, as set forth in Exhibit A herein, if WAPA determines that  
27 Lompoc's Base Resource percentage is greater than its actual usage, as  
28 specified in the Marketing Plan.

1 14.2 After the date of initial service, WAPA may adjust Lompoc's Base  
2 Resource percentage under any of the following conditions:

3 14.2.1 Lompoc sells energy associated with its Base Resource  
4 percentage to another entity for resale by that entity;

5 14.2.2 Lompoc uses the energy associated with its Base Resource  
6 percentage to serve loads outside of the Sierra Nevada Region's Primary  
7 Marketing Area;

8 14.2.3 Lompoc's annual energy associated with its Base Resource  
9 percentage, is ten percent or more than its actual annual energy usage.  
10

11 14.3 If WAPA determines that Lompoc has met any of the conditions in  
12 Section 14.2 above, WAPA will take the following steps:

13 14.3.1 Notify Lompoc of the nature of the concern;

14 14.3.2 Analyze Lompoc's usage of the energy associated with its Base  
15 Resource percentage and determine if an adjustment is necessary on a  
16 case-by-case basis, with due consideration of any circumstance that may  
17 have temporarily altered Lompoc's energy usage;

18 14.3.3 If an adjustment is determined to be necessary, provide a 90-day  
19 written notice of such adjustment; and

20 14.3.4 Reduce or rescind Lompoc's Base Resource percentage  
21 permanently on the effective date specified in the notice.  
22

23 15. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

24 Lompoc shall be responsible for electric power metering equipment requirements and  
25 power measurement data associated with the use of WAPA power under this Contract  
26 as follows:

27 15.1 Unless previously installed and furnished by WAPA, Lompoc shall furnish,  
28 install, operate, maintain, and replace, meters and associated metering

1 equipment required for deliveries of WAPA power scheduled to each delivery  
2 point on the WAPA grid, the CAISO-controlled grid, a utility distribution company  
3 grid, or other electrical system, as may be applicable. Such meters shall comply  
4 with the all applicable meter requirements. For instance, meters on:

5 15.1.1 WAPA's system must meet WAPA's meter requirements;

6 15.1.2 CAISO's system must meet CAISO's meter requirements; and/or

7 15.1.3 Pacific Gas and Electric Company's (PG&E) system must meet  
8 PG&E's meter requirements.

9  
10 15.2 Lompoc shall measure power deliveries and provide certified settlement-  
11 quality metering data to WAPA as requested. It is generally contemplated that  
12 WAPA will require this data on a monthly basis.

13  
14 15.3 If WAPA previously installed and furnished a meter to Lompoc, WAPA  
15 shall be allowed unrestricted, unescorted access to its revenue meter equipment.  
16 Lompoc shall provide a minimum of three (3) keys or the combination to  
17 Lompoc's existing locks. Alternatively, WAPA may provide a WAPA-owned  
18 padlock(s). Access shall include all gates and/or doors required to access the  
19 metering equipment.

20  
21 15.4 Upon request by Lompoc, to evidence receipt of the Environmental  
22 Attributes, WAPA shall timely provide meter data or other mutually agreed upon  
23 data to Lompoc measuring the amount of CVP energy that is generated and  
24 delivered to Lompoc. Upon mutual agreement of Customers, WAPA and  
25 Reclamation, such meters shall be modified or replaced to meet appropriate  
26 standards or requirements to convey CVP Environmental Attributes to  
27 Customers.

28 ///

1 16. **CHANGES IN ORGANIZATIONAL STATUS:**

2 16.1 If Lompoc changes its organizational status or otherwise changes its  
3 obligation to supply electric power to Preference loads, WAPA reserves the right  
4 to adjust WAPA's power sales obligations under this Contract or to terminate this  
5 Contract, as WAPA deems appropriate. Changes in organizational status  
6 include but are not limited to:

7 16.1.1 Merging with another entity;

8 16.1.2 Acquiring or being acquired by another entity;

9 16.1.3 Creating a new entity from an existing one;

10 16.1.4 Joining or withdrawing from a member-based power supply  
11 organization; or

12 16.1.5 Adding or losing members from its membership organization.

13  
14 16.2 For the purposes of this Section 16, a member is any Preference entity  
15 that is included in a membership, which has the responsibility of supplying power  
16 to the end-use consumer or Customer. Memberships include but are not limited  
17 to:

18 16.2.1 Municipality;

19 16.2.2 Cooperative;

20 16.2.3 Joint powers authority; or

21 16.2.4 Governmental agency.

22  
23 16.3 For purposes of this Section 16, participation in a State promulgated direct  
24 access program shall not be deemed to be a change in a Customer's  
25 organizational status or its obligation to supply electric power to Preference  
26 loads.

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1 16.4 Prior to making an organizational change, Lompoc may request an opinion  
2 from WAPA as to whether Lompoc's proposed organizational change will result  
3 in an adjustment of Lompoc's Base Resource percentage or termination under  
4 this Section 16. Lompoc shall provide WAPA with all relevant documents and  
5 information regarding the proposed organizational change. Based on the  
6 documents and information furnished, WAPA will provide Lompoc with an  
7 opinion.

8  
9 16.5 In addition to the above, if the change in organizational status results in a  
10 proposed transfer of the Contract, or any portion thereof, Section 37 of the  
11 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"  
12 generally requires the Customer to obtain prior written approval from WAPA's  
13 Administrator. Organizational changes that typically propose transfer of the  
14 Contract, or a portion of the Contract, and require prior written approval from  
15 WAPA include but are not limited to:

16 16.5.1 Merging with another entity;

17 16.5.2 Acquiring or being acquired by another entity;

18 16.5.3 Joining an entity; and

19 16.5.4 Creating a new entity.

20  
21 17. **PROTOCOLS, BUSINESS PRACTICES AND PROCEDURES:**

22 WAPA reserves the right to make changes to protocols, business practices and  
23 procedures, as needed. Prior to making any changes, WAPA will provide notice to  
24 Lompoc and provide Lompoc with an opportunity to comment on such changes. WAPA  
25 will consider any comments made by Lompoc before making any changes, and shall  
26 provide a written response to the comments. After a final decision is made by WAPA, if  
27 Lompoc is not satisfied with the decision, Lompoc shall have thirty (30) days from the  
28 date of WAPA's final decision to appeal the change to WAPA's Administrator. WAPA

1 will not implement a change that has been appealed until a final decision by the  
2 Administrator. Notwithstanding the provisions within this Section 17, Lompoc shall  
3 retain its right to pursue other legal remedies available to it.

4  
5 18. **ENFORCEABILITY:**

6 It is not the intent of the Parties that this Contract confer any rights on third parties to  
7 enforce the provisions of this Contract except as required by law or express provision in  
8 this Contract. Except as provided in this Section 18, this Contract may be enforced, or  
9 caused to be enforced, only by WAPA or Lompoc, or their successors or assigns.

10  
11 19. **GENERAL POWER CONTRACT PROVISIONS:**

12 The GPCP, effective September 1, 2007, attached hereto, are hereby made a part of  
13 this Contract, the same as if they had been expressly set forth herein; Except  
14 Section 11 shall not be applicable to this Contract. In the event of a conflict between  
15 the GPCP and the provisions in the body of this Contract, the Contract shall control.  
16 The usage of the term "Contractor" in the GPCP shall mean Lompoc. The usage of the  
17 term "firm" in Articles 17 and 18 of the GPCP shall be deemed to be replaced with the  
18 words "Base Resource."

19  
20 20. **EXHIBITS MADE PART OF CONTRACT:**

21 Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange  
22 Program), Exhibit C (Regulation and Reserves), and Exhibit D (Rate Schedule) existing  
23 under this Contract may vary during the term hereof. Each of said exhibits shall  
24 become a part of this Contract during the term fixed by its provisions. Exhibits A, B, C,  
25 and D are attached hereto, and each shall be in force and effect in accordance with its  
26 terms until respectively superseded by a subsequent exhibit.

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1 21. **EXECUTION BY COUNTERPARTS:**

2 This Contract may be executed in any number of counterparts and, upon execution and  
3 delivery by each Party, the executed and delivered counterparts together shall have the  
4 same force and effect as an original instrument as if all Parties had signed the same  
5 instrument. Any signature page of this Contract may be detached by any counterpart of  
6 the Contract without impairing the legal effect of any signatures thereon, and may be  
7 attached to another counterpart of this Contract identical in form hereto, by having  
8 attached to it one or more signature pages.

9  
10 22. **ELECTRONIC SIGNATURES:**

11 The Parties agree that this Contract may be executed by handwritten signature or  
12 digitally signed using Adobe Sign or Adobe E-Signature. An electronic or digital  
13 signature is the same as a handwritten signature and shall be considered valid and  
14 acceptable.

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

WESTERN AREA POWER ADMINISTRATION

By: \_\_\_\_\_  
Name: Arun K. Sethi  
Title: Vice President of Power Marketing  
for Sierra Nevada Region  
Address: 114 Parkshore Drive  
Folsom, CA 95630-4710

CITY OF LOMPOC

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: George Morrow  
Title: Interim Utilities Director  
Address: 100 Civic Center Plaza  
Lompoc, CA 93436

CITY OF LOMPOC  
Resolution/Certificate

EXHIBIT A  
(Base Resource Percentage and Point(s) of Delivery)

1. This Exhibit A, to be effective under and as part of Contract 20-SNR-02366 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit A or termination of the Contract.
2. Pursuant to the Marketing Plan, Lompoc's extended Base Resource percentage is 0.31618.
3. Lompoc's Base Resource percentage may be adjusted by WAPA as specified in the Contract.
4. Lompoc's Base Resource percentage will be adjusted effective January 1, 2040, in accordance with the Marketing Plan, to establish the 2040 Resource Pool for new power allocations.
5. The point(s) of delivery on the CVP transmission system for Lompoc's Base Resource shall be either WAPA's Tracy 230-kV or Tracy 500-kV or Cottonwood 230-kV Substations, or as requested by Lompoc and approved by WAPA.
6. All power deliveries provided under this Contract shall be adjusted for the applicable transformation and transmission losses on the 230-kV system. Additional transformation and/or transmission losses shall be applied to deliveries at other than the 230-kV level.
7. This Exhibit A shall be replaced by WAPA as necessary under the terms and conditions set forth in the Contract, and a signature is not required by either Party.

EXHIBIT B  
(Exchange Program)

1. This Exhibit B, to be effective under and as a part of Contract 20-SNR-02366 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit B or termination of the Contract.
2. Lompoc is in agreement with the procedures set forth herein.
3. If necessary, WAPA retains the right to make subsequent revisions to Exhibit B after consultation with its Customers. At such time as WAPA promulgates a revision of this Exhibit B, Lompoc shall have the option of either accepting the new revision to this Exhibit B or opting out of making purchases from the Exchange Program. If WAPA does not receive notice from Lompoc opting out of making purchases from the Exchange Program within 30 days of Lompoc's receipt of a revised Exhibit B, Lompoc may automatically continue to make purchases from the Exchange Program if already participating.
4. Exchange Program:
  - 4.1 WAPA has established separate Exchange Program for the Full Load Service Customer group and the Variable Resource Customer group. A Customer cannot be in both the Full Load Service Customer group and the Variable Resource Customer group at the same time.
  - 4.2 The Exchange Program will take place on a pre-scheduled basis.
  - 4.3 Base Resource power in excess of a Customer's load in any hour will be distributed by WAPA in the applicable Exchange Program group (Full Load Service or Variable Resource).
  - 4.4 A Customer may choose whether to make purchases from the Exchange Program for its group. Participation in making purchases from the Exchange Program requires a Customer to accept Exchange Program power if it has load in that hour. However, even if a Customer chooses not to participate in making purchases, if that Customer's Base Resource amount exceeds its load in any hour, the excess will go into the Exchange Program for that Customer's group for that hour, for use by participating Customers with load not met by Base Resource power in that hour. In other words, the retention of Base Resource in excess of a Customer's load is mandatory, while participation in making purchases from the Exchange Program is voluntary.

4.5 If a Customer chooses not to make purchases from the Exchange Program, a written notice to that effect must be submitted to WAPA by November 1, 2024. Thereafter, a Customer must submit a written notice to WAPA at least one (1) month prior to changing its participation status; Except if a Customer has elected to make purchases from the Exchange Program and subsequently changes its participation status, the Customer must wait a minimum of one (1) year to again participate in the Exchange Program. Participation status will change on the first day of the month following the required notice period or the minimum one (1) year waiting period.

4.6 A Customer must use its Base Resource power prior to using any other source to meet its load, unless agreed to by WAPA in writing. A Customer participating in the Exchange Program must use Exchange Program power prior to any other source to meet its load, unless agreed to by WAPA in writing.

4.7 Each participating Customer in each group will receive an equal share in megawatts of that group's Exchange Program power available for that hour, up to the Customer's unmet load in that hour.

4.8 Any Exchange Program power that is excess to a Customer's unmet load will go back to the Exchange Program for the group to which the Customer belongs, for that same hour. This power will be reallocated to participating Customers in that group on an equal basis until either that group's Exchange Program has no remaining power in that hour, or no participating Customers in that group have unmet load in that hour.

4.9 If there is power remaining in the Full Load Service Exchange Program or the Variable Resource Exchange Program in any hour, and none of the participating Customers in that group have unmet load in that hour, the remaining power will go to the other group's Exchange Program for that same hour.

4.10 If, in any hour, no participating Customers have unmet load but there is power remaining in either group's Exchange Program, that power may be offered for sale by WAPA unless the amount of power is de minimis.

4.11 Customers' power bills will be adjusted to reflect transactions into and out of the Exchange Program.

EXHIBIT C  
(Regulation and Reserves)

1. This Exhibit C to be effective under and as a part of Contract 20-SNR-02366 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit C or termination of the Contract.
2. Definitions of Terms:
  - 2.1 Contingency Reserve: An additional amount of operating reserves sufficient to reduce Area Control Error (ACE) to zero in ten minutes following loss of generating capacity, which would result from the most severe single contingency. Contingency Reserves will consist of Spinning and Nonspinning Reserves.
  - 2.2 Frequency Response Reserves: Spinning Reserves which provide the required Frequency Response needed for the reliable operation of an interconnection. The energy is provided by the generator's governor's response to a frequency deviation from scheduled system frequency.
  - 2.3 Nonspinning Reserve: That operating reserve not connected to the system but capable of serving demand within ten minutes, or interruptible load that can be removed from the system within ten minutes.
  - 2.4 Spinning Reserve: Unloaded generation which is synchronized and ready to serve additional demand.
3. WAPA's Disposition of Contingency Reserves and Regulation:
  - 3.1 Contingency Reserves: WAPA will provide all Base Resource schedules with Contingency Reserves, including Spinning, Nonspinning, and Frequency Response Reserves. Contingency Reserves will be provided from CVP generation as available, or procured from other sources as necessary.
  - 3.2 Regulation: WAPA will not provide Regulation with Base Resource schedules. Any sales of Regulation by WAPA will be credited against the Power Revenue Requirement.

EXHIBIT D  
(Rate Schedule)

1. This Exhibit D to be effective under and as a part of Contract 20-SNR-02366 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit D or termination of the Contract.
2. The CVP Schedule of Rates for Base Resource and First Preference Power (CV-F13) begins on page 2 of this Exhibit D.
3. This Exhibit D shall be replaced by WAPA as necessary under the terms and conditions set forth in the Rate Schedule, and a signature is not required by either Party.