Pacific Gas and Electric Company

Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612

December 10, 2025

Advice 7660-E-A
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: **Supplemental: Pacific Gas and Electric Company's Updates to the Microgrid Incentive Program Grant Agreement and Microgrid Operating Agreement in Compliance with Resolution E-5401**

Purpose

Pacific Gas and Electric Company ("PG&E") submits this supplement to its Advice Letter 7660-E, which PG&E originally submitted on July 30, 2025 in compliance with Resolution E-5401 to make certain changes to the form Grant Agreement and Microgrid Operating Agreement ("MOA") for use with local and tribal governments that are Awardees under PG&E's Microgrid Incentive Program ("MIP"). This supplement proposes additional revisions to the form Grant Agreement and form MIP MOA in consideration of the protests received by stakeholders. This supplement also removes PG&E's original request to make conforming changes to the form Grant Agreement for private party Awardees given procedural concerns raised by the California Public Utilities Commission's ("Commission") Energy Division.

Background

PG&E MIP agreements, including the MIP Grant Agreement and the MOA, were originally submitted for approval on November 10, 2023 in AL 7042-E, which was later supplemented in AL 7042-E-A and 7042-E-B. The advice letter and associated agreements were approved by Energy Division via disposition letter on November 6, 2024.[1]

On June 26, 2025, the Commission issued Resolution E-5401. The Resolution (i) approves Southern California Edison Company's ("SCE") Advice Letter 5119-E with Supplement Advice Letter 5119-E-A, 5119-E-B, and 5119-E-C for MIP awardees that are not local or tribal governments, and (ii) directs PG&E, San Diego Gas & Electric Company

[1] Energy Division's disposition letter dated November 6, 2024 approving the MIP Grant Agreement and MOA is available here: ELEC_7042-E.pdf, ELEC_7042-E-A.pdf, and ELEC_7042-E-B.pdf. The disposition letter rejects more than two dozen individual objections to PG&E's supplementary advice letters submitted in Green Power Institute's protests of the supplementary advice letters.

("SDG&E"), and SCE to establish new MIP agreements with special provisions for local and tribal government awardees.

On July 30, 2025, PG&E submitted AL 7660-E with attached revisions to its MIP Grant Agreement and MOA to comply with the directives in the Commission's Resolution E-5401. Pursuant to the Commission's General Order 96-B, protests and responses to the AL 7660-E were due on August 19, 2025. On August 19, 2025, the Yurok Tribe and the Hoopa Valley Tribe and the Hoopa Valley Public Utilities District submitted responses to AL 7660-E. The Hidden Valley Lake Community Services District ("HVLCSD"), the County of Lake, and the Green Power Institute ("GPI") each submitted a protest to AL 7660-E.

Having considered the concerns raised by the protests submitted on the original AL 7660-E and further input from the Commission's Energy Division, PG&E is submitting this supplemental Advice Letter to address three topics. First, PG&E proposes to further amend the tribal and local government version of the form Grant Agreement submitted as part of AL 7660-E with modifications to allow an Awardee to terminate the Agreement where the Awardee has determined in good faith that the MIP project is no longer feasible, while maintaining ratepayer protections by preserving PG&E's rights to pursue other legal or equitable remedies in the event of bad faith or fraud and to complete audits of already-submitted incentive requests following such a termination. Second, the attached version of the tribal and local government versions of the Grant Agreement and MOA correct several typos in the version attached to AL 7660-E. Third, PG&E is supplementing AL 7660-E to remove its original request to make conforming changes to the form Grant Agreement and MOA for private party Awardees, given procedural concerns raised by the Energy Division.

Additional Proposed Substantive Modifications to Terms of the form Grant Agreement for Local and Tribal Governments

This section provides excerpts to show only the new changes to the form Grant Agreement for local and tribal governments proposed in this supplement. For reference, a red line version of the form Grant Agreement showing all modifications proposed in AL 7660-E and this AL 7660-E-A to the previously approved form Grant Agreement is provided at Attachment 1 to this supplement. Additionally, a clean version of the form Grant Agreement for local and tribal governments, incorporating all changes proposed in AL 7660-E as modified in this supplement, is included as Attachment 2 to this supplement.

PG&E proposes the below addition[2] to section 5.3 of the Grant Agreement. The purpose of this addition is to ensure that PG&E can perform an audit of project costs that were reimbursed by the Microgrid Incentive Program even after termination of the Grant Agreement. This is necessary to protect PG&E's ability to recover customer funds in instances of accounting errors or fraud where the project is terminated prior to the completion of the audit.

[2] All changes to the language submitted in AL 7660-E are shown here in red font and underlining or strike-through.

Section 5.3

Audit
PG&E has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the Awardee to the extent reasonably necessary to verify the accuracy of any invoice, Project Report, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and in the associated Incentive Payment or future Incentive Payment, including return of any incentive overpayments, shall be made as determined by PG&E. **The provisions of this Section 5.3 will survive termination of this Agreement.**

PG&E proposes the below addition to section 7.2(C). The purpose of this addition is to clarify what financial liability exists for the Grant Awardee under termination of the agreement through an event of default or through project termination as outlined in the subsequently proposed section of 7.4(A).

C. In the event of early termination of this Agreement prior to completion of the MIP Project, any amounts associated with MIP Incentive Award funds that are recovered by the Awardee in connection with the exercise of Awardee's rights under contracts and associated Performance Bonds with its contractors and CMG Aggregator, less any costs or expenses incurred by Awardee in connection with such recovery, shall be returned by Awardee to PG&E, **and shall be PG&E's sole remedy for such early termination pursuant to Section 7.4(A), and if such early termination is pursuant to Section 7.2(B), shall be PG&E's sole remedy for such early termination with regard to such funds, except in cases of bad faith, willful misconduct, or fraud. Nothing in this paragraph shall limit PG&E's rights pursuant to Section 5.3, including but not limited to PG&E's right to audit and to seek any return of incentive overpayments that were the result of inaccuracies in any invoice submitted by Awardee.**

In consultation with some of our Microgrid Incentive Program Tranche 1 Awardees, PG&E has identified a concern of some of the awardees that they lack an ability under the agreement to withdraw from a project that they may consider no longer feasible. To address this concern, PG&E proposes adding the below language to section 7 of the grant agreement to provide a way for an awardee to voluntarily terminate the project outside of an event of default.

7.4 Termination

A. If the Awardee or CMG Aggregator determines in good faith that the MIP Project has become infeasible and elects not to continue development, Awardee may terminate this Agreement upon notice to PG&E, and such termination will be effective as of the date designated in writing by the Awardee, at its sole discretion. In the event of a termination pursuant to this Section 7.4(A), PG&E's sole remedy shall be the return of any recovered funds pursuant to Section 7.2(C).

B. In the event of a termination of this Grant Agreement pursuant to Section 7.1, such termination will be effective as of the date designated in writing by the non-Defaulting Party, at its sole discretion, provided that any termination pursuant to an Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties that the Agreement or the MIP Project be terminated will be effective on a date consistent with said Order.

Additional Proposed Modifications to the Form Grant Agreement for Local and Tribal Governments to Address Typographical Errors

In protest, HVLCSD noted typos in the grant agreement attached to AL 7660-E in sections 4.2 and 7.2(B) and asked PG&E to further review the documents for errors. PG&E has identified several additional minor typos present within the attached form Grant Agreement and MOA submitted with AL 7660-E. PG&E seeks in this supplement to correct these unintentional typographical errors. These corrections are shown in Attachments 1 and 3, and for ease of reference are excerpted below. Appendix IX was removed from the form Grant Agreement for local and tribal governments in AL 7660-E. The associated redlines remove residual references from the table of contents and residual title of the appendix.

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Section 4.2

For contracts or subcontracts related to the development of the MIP Project, the Awardee shall require a Performance Bond of its contractors and CMG Aggregator for 100 percent of the total dollar amount of each contract, or the sum of all dollar amounts contracts with the same entity for the same MIP Project, if said contract or sum of contracts is equal to or ~~in~~ in excess of $100,000.

Section 5.4

c. Description of Challenges or Other Issues**;**

Section 7.1(d):

Lack of execution of an MOA for the MIP Project within ninety (90) days of execution of the la**t**ter of any application Interconnection or Special Facilities Agreements as required by the CMET.

Section 7.2(B):

If an Event of Default is not cured as provided in this Section 7.2 and is ongoing, the non-Defaulting Party shall have the right to terminate this Agreement by written notice at any time **and to** be relieved of any further obligation hereunder. **Further ~~and~~**, whether or not **~~that~~ the non-Defaulting** Party terminates this Agreement, **the non-Defaulting Party shall have the right** to recover from the Defaulting Party all amounts due hereunder, plus all other damages and remedies to which **~~it~~ the non-Defaulting Party** is entitled under this Agreement at law or in equity. The provisions of this Section 7.2.(B) will survive termination of this Agreement.

APPENDIX I-B – GENERAL DEFINITIONS:

20. **Eligible Project Cost**. All necessary, reasonable, and directly attributable costs incurred in the execution and completion of the MIP Project, as approved by PG&E in Appendix VI. Any costs incurred outside the parameters set forth in this Agreement or deemed non-essential, extravagant, or unrelated to the Project's primary objectives shall be excluded from the definition of "Eligible Project Cost".**."** The determination of eligibility for any cost shall be at the sole discretion of PG&E, and such determination shall be final here.

33. **Islanding Operation Date (IOD)**. Means the date state**d** in the "CMET Project Islanding Operation Date Confirmation Letter" attached as Appendix XI-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.

Page 36 of the Grant Agreement:

~~APPENDIX IX~~

Additional Proposed Modifications to the Form MIP MOA for Local and Tribal Governments to Address Typographical Errors

PG&E is also seeking to correct minor drafting and typographical errors in the form MIP MOA for tribal and local governments. This section provides excerpts to show only the new changes to the form MIP MOA for local and tribal governments proposed in this supplement. For reference, a redline showing all modifications to the previously-approved form MIP MOA is provided at Attachment 3 to this supplement. Additionally, a clean version of the form MIP MOA for local and tribal governments, incorporating these

proposed changes, is included as Attachment 4 to this supplement. Similar to the Grant Agreement, references to Appendix XIII in the MOA are also being removed from the Table of Contents and Appendix XIV is being renamed Appendix XIII.

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Section 7.2(C)

For CMG Aggregators that are Tribal entities]. It shall be bound by the terms and conditions set forth in Appendix X**III**~~**V**~~.

Section 13.13(A)

CMG Aggregator agrees to provide a limited waiver of sovereign immunity as set forth in Appendix XI**II**~~**V**~~.

APPENDIX IV-B – Microgrid Special Facilities Agreement

{ATTACH EXECUTED MICROGRID SPECIAL FACILITIES AGREEMENT. THE FOLLOWING AGREEMENT IS A MODIFIED VERSION OF ELECTRIC FORM NO. 79-255 FOR CMET PROJECTS ELIGIBLE FOR SPECIAL FACILITY COST-OFFSETS. OTHERWISE, CMG AGGREGATOR TO USE PG&E ELECTRIC RULE 2 FORM NO 79-255. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XI**II**~~**V**~~ OF THE MICROGRID OPERATING AGREEMENT}

APPENDIX VI – Mutual Non-Disclosure Agreement

{ATTACH EXECUTED NDA HERE. THE FOLLOWING IS AN EXAMPLE OF STANDARD NDA TERMS; PG&E RESERVES THE ABILITY TO UPDATE THESE TERMS. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XI XI**II**~~**V**~~ OF THE MICROGRID OPERATING AGREEMENT }

MOA Appendix A PERSONAL DATA PROCESSING ADDENDUM

21. INDEMNIFICATION. Notwithstanding anything to the contrary in any agreement between PG&E and Company, Company shall indemnify, hold harmless, and defend PG&E and its ~~**any and**~~ officers, employees, subcontractors, agents, successors, and assigns from and against any and all claims, losses, liabilities, damages, settlements, expenses and costs (including without limitation attorneys' fees and court costs) and any and all threatened claims, losses,

liabilities, damages, settlements, expenses and costs arising from, in connection with, or based on allegations of, in whole or in part, any of the following: (a) any violation of the requirements of this DPA; (b) any negligence or willful misconduct of Company, its personnel or Agents or any third party to whom Company provides access to Personal Information or systems, with respect to security or confidentiality of Personal is (c) any other costs incurred by PG&E with respect to PG&E's rights in this DPA. Except as otherwise provided herein, Company shall be fully responsible.

APPENDIX IX-A – CMET Project Safety Plan and Supporting Documentation

Part One: Safety Requirements and Safety Programs

Identify the applicable safety-related Codes, Standards, and regulations (CSR) which govern the design, construction, operation, **and** maintenance of the Project using the proposed technology.

Part Two: Project Design and Description

Describe CMG Aggregator's safety engineering approach to select equipment and design systems and the Project to reduce risks and mitigate the impacts of safety-related incidents, including cascading failures, excessive temperatures, thermal runaways, fires, explosions, pressure relief rupture disk fractures, hazardous chemical releases.

Describe the results of ~~or~~ similar safety engineering evaluations. In the case of lithium-ion batteries, describe the safety-related reasons, including design features and historical safety records, for selecting particular anode and cathode materials and a particular manufacturer.

APPENDIX XI~~IV~~ - LIMITED WAIVER OF SOVEREIGN IMMUNITY

(a) The Parties acknowledge that CMG Aggregator is a sovereign Tribe, and that, as such, CMG Aggregator, its officers, agents and assigns possess sovereign immunity from unconsented suits and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of CMG Aggregator's sovereign immunity, except as expressly provided in this Appendix XI~~IV~~. PG&E and CMG Aggregator agree that this Agreement is fully enforceable between the Parties. Therefore, CMG Aggregator hereby provides this limited express waiver of CMG Aggregator's sovereign immunity, for the limited purpose of enforcing this Agreement (including each and all of the terms and conditions of this Agreement), and in accordance with, and as limited by, the express terms of this Agreement. CMG Aggregator provides this limited waiver of its sovereign immunity solely for disputes arising between the parties under this Agreement pursuant to Article 10. This limited waiver shall not apply to any other party or to disputes that do not arise out of this Agreement. PG&E hereby agrees that this limited waiver of sovereign immunity provided by CMG Aggregator shall be strictly and narrowly construed in favor of CMG Aggregator.

(b) With respect to all actions, suits, claims, proceedings or counterclaims (each, a

"Claim"), CMG Aggregator and each of its officers, agents and assigns hereby expressly waives its sovereign immunity, and all defenses based thereon, from any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement, in each case of any nature, whether such Claim is brought in or arises under law, equity, contract, tort or statute (inclusive of Claims for equitable or provisional relief and to compel arbitration, and whether through service of notice, attachment prior to judgment, exercise of contempt powers, or otherwise) (an "Action"), for the limited purpose of resolving Claims and the judicial enforcement thereof, to resolve any controversy arising from this Agreement, to enforce or interpret the express terms and conditions of this Agreement, or otherwise related to this Agreement, as provided for in this Agreement.

(c) CMG Aggregator expressly waives sovereign immunity, solely in connection with any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement and all defenses based thereon as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, any form of relief, or order related thereto. CMG Aggregator further consents to the jurisdiction of the arbitrators and/or specified courts described in Article 10 of this Agreement, including each Party's consent to be bound by a lawful order or judgment, to the extent provided for herein.

(d) With respect to any Action between PG&E and CMG Aggregator, each of the Parties expressly consents and agrees to the dispute resolution provisions set forth in Article 10 of this Agreement, and CMG Aggregator hereby agrees that the limited waivers of sovereign immunity described in this Appendix XIIIV apply and waive CMG Aggregator's sovereign immunity (to the extent described in this Appendix XIIIV) in connection with any arbitration under Article 10 of this Agreement and any judgment or award described in Article 10 of this Agreement. CMG Aggregator specifically expressly waives sovereign immunity for the limited jurisdictional purposes set forth in this Appendix XIIIV and in Article 10 of this Agreement. The Parties specifically agree that the arbitrators and courts set forth in Article 10 of this Agreement shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement, which shall be binding and enforceable on each Party. CMG Aggregator shall not contest jurisdiction or venue to the extent selected in accordance with Article 10 of this Agreement. CMG Aggregator hereby waives any argument that a tribal forum has jurisdiction over the limited waiver of sovereign immunity and this Agreement, that it shall not plead or invoke the doctrine of exhaustion of tribal or other administrative or tribal judicial remedies, defenses of tribal immunity or that CMG Aggregator is an indispensable party, and CMG Aggregator hereby waives any and all such requirements.

(e) CMG Aggregator hereby consents to injunctive relief, where the standards for such relief are proven, in the forums enumerated in Section 13.9 of this Agreement should CMG Aggregator ever attempt to revoke, limit or restrict the limited waiver of sovereign immunity, where the legal standards for such relief are satisfied.

(f) In any Action as to which CMG Aggregator has waived its sovereign immunity as provided herein, CMG Aggregator consents and agrees that process against CMG Aggregator shall be effective if served by sending a copy of the process in accordance with the notice provisions set forth in Section 14.1 of this Agreement.

Summary of Supplemental Request

For the reasons discussed here, PG&E respectfully requests that the Commission:

1. Approve the further changes to the form MIP Grant Agreement detailed above and as shown in the attached redline and clean versions of the Tribal/Local Government version of the Grant Agreement.
2. Approve the corrections to typographical errors as detailed above and included in the attached redline version of Tribal and Local Government version of the MOA.
3. Disregard PG&E's original request in Advice Letter 7660-E to make conforming edits to the private party form of MIP Grant Agreement and MOA.
4. With these changes and in all other aspects, make effective PG&E's Advice Letter 7660-E.

Protests

Pursuant to GO 96-B, General Rule 7.5.1, the submission of this supplement does not automatically continue or reopen the protest period. Energy Division, on its own motion or at the request of any person, may issue a notice continuing or reopening the protest period. Any new protest shall be limited to the substance of the supplement or additional information. Protests would have to be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice letter submittal become effective concurrent with the original advice letter 7660-E, which is August 29, 2025.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.19-09-009. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

Attachments

Attachment 1: Form of MIP Grant Agreement for local and tribal governments (Redline version showing all modifications proposed in AL 7660-E and AL 7660-E-A. Modifications are in reference to the previously approved version of the form Grant Agreement in AL 7042-E).

Attachment 2: Form of MIP Grant Agreement for local and tribal governments (clean version showing all modifications proposed in AL 7660-E and AL 7660-E-A to the previously approved version in AL 7042-E).

Attachment 3: Form of MIP MOA for local and tribal governments (Redline version showing all modifications proposed in AL 7660-E and Al 7660-E-A. Modifications are in reference to the previously approved version of the MOA in AL 7042-E).

Attachment 4: Form of MIP MOA for local and tribal governments (Clean version showing all modifications proposed in AL 7660-E and AL 7660-E-A to the previously approved version in AL 7042-E).

Sincerely,

/S/

Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

cc: Service List R.19-09-009

California Public Utilities Commission

ADVICE LETTER SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:
☑ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Baylee Larson
Phone #: (279) 789-6486
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: baylee.larson@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 7660-E-A

Tier Designation: 2

Subject of AL: Supplemental: Pacific Gas and Electric Company's Updates to the Microgrid Incentive Program Grant Agreement and Microgrid Operating Agreement in Compliance with Resolution E-5401

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:
Res. E-5401

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☑ No

If yes, specification of confidential information:
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☑ No

Requested effective date: 8/29/25

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed[1]: N/A

Pending advice letters that revise the same tariff sheets: N/A

[1]Discuss in AL if more space is needed.

Clear Form

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidney Bob Dietz II, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment 1

Form of MIP Grant Agreement for local and tribal governments -

(Redline version showing all modifications proposed in AL 7660-E (blue) and AL 7660-E-A (red). Modifications are in reference to the previously approved version of the form Grant Agreement in AL 7042-E.)

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT MIP AWARDEES]

MICROGRID INCENTIVE PROGRAM GRANT AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

and

_____

Dated:

_____

Draft

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MICROGRID INCENTIVE PROGRAM GRANT AGREEMENT

This Microgrid Incentive Program (MIP) Grant Agreement (this "Agreement") is made by and between Pacific Gas and Electric Company, a California corporation ("PG&E"), with its principal place of business at 300 Lakeside Drive, Oakland, CA 94612 and _____ ("~~Awardee~~Awardee") is a [~~The~~ Tribal Governmental Authority]/[~~ or~~ Local Governmental Authority]~~")~~, with its principal place of business at _____ as of _____("the Execution Date"). A w a r d e e ~~Awardee~~~~The Tribal or Local Governmental Authority~~ and PG&E are referred to individually as "Party" or collectively as "Parties." PG&E and Awardee ~~Awardee~~~~The Tribal or Local Governmental Authority~~ hereby agree to the following:

RECITALS

A. Whereas PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission in northern and central California and which owns an extensive electric transmission and distribution system within that area;

B. Whereas the ~~Awardee~~ Awardee is a [~~Local Government~~Local Governmental Authority]/[~~t~~Tribal Governmental A~~a~~uthority~~]/[an entity or individual acting as a representative for a Local Government~~Local Governmental Authority/tribal authority], that intends to develop and operate a community microgrid project under PG&E's Microgrid Incentive Program ("MIP");

C. Whereas, pursuant to the MIP, Awardee is eligible for an Incentive Award for MIP Project Resources and Balance of System [of up to $14M], an Allowance for Interconnection Upgrades and Facilities [of up to $1M], and an Allowance for Microgrid Special Facilities [of up to $3M];

D. Whereas the MIP Project is governed by PG&E's Community Microgrid Enablement Tariff ("CMET"), which was approved by the California Public Utilities Commission ("CPUC"), and existing rules and tariffs;

E. Whereas, under the MIP, the MIP Project will require the following: 1) Interconnection Agreement for MIP Project Resources; 2) Microgrid Islanding Study to determine the MIP Project Balance of System and operational requirements; 3) PG&E Microgrid Special Facilities Agreement; and 4) PG&E Microgrid Operating Agreement ("MOA") to govern the development and operation of the MIP Project; and,

F. Now, therefore, Awardee wishes to enter into this Agreement with PG&E to govern the issuance of, conditions related to, and accounting for the incentives and allowances provided to the MIP Project.

AGREEMENT

This Agreement shall be binding as of the Effective Date.

1 TERM

1.1 Term

The term of this agreement commences on the Effective Date and shall remain in effect until the earliest of (i) award of the final milestone-based Incentive Payment, pursuant to Section 2.3 of this Agreement, (ii) a period not to exceed two (2) years from execution of MOA, or (iii) five (5) years from the Effective Date, unless sooner terminated in accordance with Section 7.4(A) of this Agreement (the "Term").

Notwithstanding the foregoing, the terms and conditions of this Agreement shall thereafter remain in effect until both Parties have fulfilled all obligations arising under this Agreement.

2 INCENTIVE AWARD

2.1 Incentive Award

The maximum total Incentive Award payable by PG&E to Awardee for development of the MIP Project under this Agreement, shall be $_____, as identified in the approved Application Incentive Request ("AIR") and attached as Appendix II to this Agreement. Awardee agrees that MIP Project development costs that exceed this amount shall be Awardee's responsibility.

2.2 Eligible Project Costs

Awardee agrees that Incentive Award may be applied exclusively to Eligible Project Costs in accordance with (i) applicable provisions of the law, (ii) the CPUC MIP Order[1], and (iii) as identified in Appendix III, consistent with the AIR and Incentive Milestones.

2.3 Incentive Milestones

Subject to this Section 2.3, PG&E shall disburse to the Awardee the Incentive Award on the schedule and in the amounts set forth in the Incentive Milestones identified in Appendix III of this Agreement.

A. All disbursements shall be contingent upon the Awardee first satisfying the requisite requirements for the Incentive Milestone. ~~and posting any required Development Performance Assurance (as defined in Section 4.3) for each such disbursement.~~

B. When Awardee has satisfied the requirements for an Incentive Milestone, Awardee shall provide an Incentive Payment Request using the form as provided in Appendix IV identifying Eligible Project Costs with supporting documentation associated with the Milestone activity in form and substance reasonably satisfactory to PG&E. If such

[1] See CPUC Decision 23-04-034 Adopting Implementation Rules For The Microgrid Incentive Program

documentation is insufficient to confirm Awardee's satisfaction of such requirements, PG&E will provide Notice to Awardee describing such insufficiencies, and Awardee will have [thirty (30) days] from receipt of such Notice to remedy such insufficiencies to PG&E's reasonable satisfaction. Once a complete Incentive Payment Request is received by PG&E, PG&E shall issue the payment due according to the amount set forth in Appendix III within 45 days.

~~B.~~

C. If Awardee fails to satisfy the requirements for an Incentive Milestone (including a failure to remedy an insufficient Incentive Payment Request, as provided in Section 2.3(B), or anticipates that it will be unable to meet an Incentive Milestone for any reason: PG&E may declare an Awardee's Event of Default as provided in Section 7.1 of this Agreement, and Awardee may be required to develop a cure or be subject to termination of this Agreement pursuant to Section 7.4.

3 ALLOWANCES

3.1 Microgrid Special Facility Allowance

PG&E shall provide a Microgrid Special Facilities Allowance not to exceed three (3) million dollars as a credit against Awardee's responsibility for PG&E's costs to study and enable the safe islanding of a Community Microgrid as identified in the Microgrid Special Facility Agreement attached to the MOA, subject to this Section 3.1. PG&E's Microgrid Special Facilities Allowance costs may include, but are not limited to, a Microgrid Islanding Study (MIS), isolation devices, fault protection devices, utility microgrid controller, and distribution system hardening, as described in Appendix VI. PG&E rules and procedures for special facilities, as may be modified by the CPUC from time to time, shall apply to MIP projects. At the time the Generator Interconnection Agreement is negotiated for this MIP Project, Awardee shall ensure that the up-front "One-time payment" option for the cost of ownership is selected to be eligible for the Microgrid Special Facilities Allowance; if this option is not selected, Awardee will not be eligible for the Microgrid Special Facilities Allowance.

3.2 MIP Interconnection Allowance

PG&E shall provide a MIP Interconnection Allowance not to exceed one (1) million dollars as a credit against Awardee's responsibility for PG&E's costs for Interconnection Study deposits or fees for eligible In Front of the Meter (IFOM) MIP Project Resources, and for required Interconnection Facilities and Distribution Upgrades identified in the Interconnection Study attached with MOA, subject to this Section 3.2. PG&E rules and procedures for interconnection, as may be modified by the CAISO and/or CPUC from time to time, shall apply to MIP projects. At the time the Generator Interconnection Agreement is negotiated for this MIP Project, Awardee shall ensure that the up-front "One-time payment" option for the cost of ownership is selected to be eligible for the Interconnection Allowance; if this option is not selected, Awardee will not be eligible for the Interconnection Allowance.

4 PERFORMANCE REQUIREMENTS

4.1 MIP Project Operating Performance Requirements

Awardee, directly or through its contractors and Community Microgrid Aggregator (CMG Aggregator) it engages to satisfy some or all of the performance obligations on its behalf, shall ensure that the MIP Project is designed and constructed to satisfy the following MIP Project Operating Performance Requirements (collectively, the "Operating Performance Requirements") during commissioning testing to receive Islanding Operation Date (IOD):

A. The MIP Project resources shall be sized and operated to serve a minimum of 24 consecutive hours of energy in Island Mode as determined by a typical load profile within the Microgrid Boundary as identified in the Microgrid Islanding Study attached with MOA.

B. The MIP Project Resources must comply with the emissions standards adopted by the California Air Resources Board (CARB), pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.

C. The MIP Project, when operating in Island Mode, shall not produce aggregate emissions from MIP Project Resources and non-Project Resources greater than the equivalent emissions from grid power.

D. The MIP Project must successfully meet the Operating Performance Requirements as specified in Appendix XII of the MOA.

If the MIP Project fails to satisfy all of the Operating Performance Requirements as set forth in this Section 4.1, then PG&E may declare an Awardee's Event of Default as provided in Section 7.1 of this Agreement, and Awardee may be required to develop a cure or be subject to termination of this Agreement pursuant to Section 7.4 of this Agreement.

4.2 MIP Project Development ~~Performance Assurance~~Contractor Performance Bonding Requirement

For contracts or subcontracts related to the development of the MIP Project, the Awardee shall require a Performance Bond ~~Contractor Performance Bonding~~ of its contractors and CMG Aggregator for 100 percent of the total dollar amount of each contract, or the sum of all dollar amounts contracts with the same entity for the same MIP Project, if said contract or sum of contracts is equal to or in ~~in~~ excess of $100,000 ~~A "performance bond" is one executed in connection with a contract with Awardee to secure fulfillment of all the contractor's obligations under such contract.~~

~~Subject to, and as more particularly described in Appendix IX, Awardee must post and maintain Development Performance Assurance in the amount of 100% of each Incentive Award made under this Agreement as cash or a letter of credit to secure the obligations of Awardee under the MOA through the CMET Project Islanding Operation Date (as such term is defined in the MOA). If there is no outstanding Event of Default by Awardee under this Agreement as of the CMET Project Islanding Operation Date, PG&E will return or release the Development Performance Assurance as provided in Appendix IX.~~

5 PROJECT REPORTING AND AUDITING

During the Term, the Awardee shall furnish to PG&E a MIP Project Progress Report using the form as provided in Appendix VII with supporting documentation in form and substance reasonably satisfactory to PG&E. Progress Reports shall indicate whether Awardee is on target to meet Incentive Milestones, including if Awardee anticipates that it will be unable to meet an Incentive Milestone for any reason. Awardee shall promptly give such other relevant information as may be required by PG&E and/or the CPUC.

5.1 Project Reporting Frequency

A. Within fifteen (15) days after the close of each quarter from the first quarter following the Execution Date, until the Island Operation Date, provide to PG&E a quarterly Progress Report and agree to regularly scheduled meetings between representatives of PG&E and Awardee to review such quarterly reports and discuss Awardee's development progress.

B. Within fifteen (15) days after the close of each month following the execution of the MOA until the Island Operation Date, provide to PG&E a monthly Progress Report and agree to regularly scheduled meetings between representatives of PG&E and Awardee to review such monthly reports and discuss Awardee's development progress.

5.2 CPUC Regulatory Reporting

The Awardee shall comply with all CPUC regulatory reporting requirements (without limitation thereto) by providing PG&E with all required data in a format suitable for submittal to the CPUC as may be reasonably requested by PG&E from time to time. The regulatory reports shall contain all information and be in a format as may be required and/or modified by the CPUC from time to time.

5.3 Audit

PG&E has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the Awardee to the extent reasonably necessary to verify the accuracy of any invoice, Project Report, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and in the associated Incentive Payment or future Incentive Payment, including return of any incentive overpayments, shall be made as determined by PG&E. The provisions of this Section 5.3 will survive termination of this Agreement.

5.4 Final Project Report

The Awardee shall deliver a final Project Report to PG&E at the conclusion of the MIP Project as directed by PG&E no later than 6 (six) months after IOD. The final Project Report shall, at a minimum, provide a discussion addressing each of the following sub-topic:

a. MIP Project Overview (including total project cost, duration, and any variances);

b. Summary of MIP Project Accomplishments;

c. Description of Challenges or Other Issues;

d. MIP Program Improvement Recommendations; and

e. Other items requested by PG&E.

6 LIABILITY, INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE

6.1 Limitation of Remedies, Liability and Damages

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION (OTHER THAN IN SECTION 6.2) OR OTHERWISE EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6.2, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

6.2 Indemnity

A. Awardee shall indemnify, protect, defend, and hold harmless PG&E from liability incurred to third parties as a result of carrying out the provisions of this Agreement as

applicable to the MIP Project. Liability under this provision is exempt from the general limitations on liability found in Section 6.1.

B. Awardee shall at all times indemnify, defend, and hold PG&E harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Awardee's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by PG&E.

C. If PG&E is entitled to indemnification under this Section 6.2 as a result of a claim by a third party, and Awardee fails, after notice and reasonable opportunity to proceed under this Section 6.2, to assume the defense of such claim, PG&E may at the expense of the Awardee contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

D. If Awardee is obligated to indemnify and hold PG&E harmless under this Section 6.2, the amount owing to PG&E shall be the amount of PG&E's actual loss, net of any insurance or other recovery.

Promptly after receipt by PG&E of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 6 may apply; PG&E shall notify the Awardee of such fact. Any failure of or delay in such notification shall not affect the Awardee's indemnification obligation unless such failure or delay is materially prejudicial to the Awardee.

7 EVENTS OF DEFAULT AND TERMINATION

7.1 Events of Default

A. Awardee: The Awardee will be deemed a "Defaulting Party" upon the occurrence of any of the following (each an "Event of Default"):

(a) Any false statement, representation contained in this Agreement, in the Application Incentive Request, or in any other document submitted to PG&E under this Agreement is found by PG&E to be false or misleading.

(b) The Awardee fails to satisfy the requirements for an Incentive Milestone as set forth in Section 2.3(C) of this Agreement.

(c) Withdrawal of the request for a Microgrid Islanding Study or an interconnection request for the MIP Project.

(d) Lack of execution of an MOA for the MIP Project within ninety (90) days of execution of the ~~later~~latter of any application Interconnection or Special Facilities Agreements as required by the CMET.

(e) Termination of the MOA for the MIP Project, or of any other agreement required for the development and operation of the MIP Project, including, but not limited to the MIP Project Resource Interconnection Agreement.

(f) Failure of the MIP Project Resource to achieve commercial operations pursuant to

its Interconnection Agreement.

(g) Failure of the MIP Project to satisfy all the Operating Performance Requirements as set forth in Section 4.1 of this Agreement.

~~(h)~~ Non-conformance of the MIP Project with the eligibility requirements set forth in the CMET.

~~(i)~~(h) ~~Requirement by an Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties that the Agreement or the MIP Project be terminated.~~

B. Either Party: Either Party will be deemed a "Defaulting Party" if a Party fails to perform any of its material obligations or covenants under this Agreement not otherwise addressed in this Section 7.1 when and as required (each an "Event of Default").

7.2 Default Notice & Remedy

A. Upon the occurrence of an Event of Default, the non-defaulting Party shall give written Notice of such default to the Defaulting Party. For Events of Default the Defaulting Party shall otherwise have sixty (60) Calendar Days from receipt of the Default Notice within which to cure such Event of Default; provided however, if such Event of Default is not capable of cure within sixty (60) Calendar Days, the Defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Event of Default Notice; and, if cured within such time, the Default specified in such Notice shall cease to exist.

B. If an Event of Default is not cured as provided in this Section 7.2 and is ongoing, the non-Defaulting Party shall have the right to terminate this Agreement by written notice at any time and to be relieved of any further obligation hereunder. ~~and~~Further, whether or not ~~that~~ the non-Defaulting Party terminates this Agreement, the non-Defaulting Party shall have the right to recover from the Defaulting Party all amounts due hereunder, plus all other damages and remedies to which ~~it~~the non-Defaulting Party is entitled under this Agreement at law or in equity. The provisions of this Section 7.2.(B) will survive termination of this Agreement.

C. In the event of early termination of this Agreement prior to completion of the MIP Project, any amounts associated with MIP Incentive Award funds that are recovered by the Awardee in connection with the exercise of Awardee's rights under contracts and associated Performance Bonds with its contractors and CMG Aggregator, less any costs or expenses incurred by Awardee in connection with such recovery, shall be returned by Awardee to PG&E, and shall be PG&E's sole remedy for such early termination pursuant to Section 7.4(A), and if such early termination is pursuant to Section 7.2(B), shall be PG&E's sole remedy for such early termination with regard to such funds, except in cases of bad faith, willful misconduct, or fraud. Nothing in this paragraph shall limit PG&E's rights pursuant to Section 5.3, including but not limited to PG&E's right to audit and to seek any return of incentive overpayments that were the result of inaccuracies in any invoice submitted by Awardee.

7.3 Waiver

A. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

B. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

7.4 Termination

A. If the Awardee or CMG Aggregator determines in good faith that the MIP Project has become infeasible and elects not to continue development, Awardee may terminate this Agreement upon notice to PG&E, and such termination will be effective as of the date designated in writing by the Awardee, at its sole discretion. In the event of a termination pursuant to this Section 7.4(A), PG&E's sole remedy shall be the return of any recovered funds pursuant to Section 7.2(C).

B. In the event of a termination of this Grant Agreement pursuant to Section~~s~~ 7.1 ~~,~~such termination will be effective as of the date designated in writing by the non-Defaulting Party, at its sole discretion, provided that any termination pursuant to an Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties that the Agreement or the MIP Project be terminated~~Section 7.1.A.(i)~~ will be effective on a date consistent with said Order.

8 GOVERNMENTAL CHANGES

8.1 Cooperation

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Governmental Charges

Awardee shall pay or cause to be paid all taxes or fees imposed by any Governmental Authority (Governmental Charges) on or with respect to the MIP Project, by reason of the execution, delivery, performance or enforcement of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Law.

9 COVENANTS

9.1 General Covenants

Each Party covenants throughout the Term of this Agreement as follows:

A. It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and qualified to conduct business in the State of California and in all jurisdictions where ownership of its properties or its operations require such qualifications, except where the failure to do so would not have a material adverse effect on its financial condition, its ability to own its properties or transact its

business, or to carry out the transactions contemplated hereby;

B. It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

C. It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it;

D. It shall follow all rules, orders and tariffs approved or established by the CPUC and the CAISO with respect to the MIP Project development and operation, provided that if Awardee is not the CMG Aggregator for the MIP Project, Awardee will ensure that CMG Aggregator shall follow all such rules, orders and tariffs.

9.2 Covenants of Awardee

Awardee covenants to and for the benefit of PG&E throughout the Term:

A. It shall apply the MIP Incentive Award funds solely towards Eligible Project Costs, in accordance with the requirements of the Incentive Milestones, and

B. It shall comply, and shall ensure that CMG Aggregator complies, with all applicable Laws, Applicable Rules and Standards, and to the Utility Distribution Company requirements applicable to the MIP Project.

10 ASSIGNMENT

10.1 General Assignment

Neither Party will assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent will not be unreasonably conditioned, delayed, or withheld so long as (a) the assignee assumes the transferring Party's performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder, (d) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request, and (e) in the case of Awardee as the transferring Party with a transfer to an assignee that will have operational control of the MIP Project, Awardee delivers to PG&E, upon PG&E's request, documentation to demonstrate the assignee is capable of satisfying and complying with all provisions of this Agreement.

10.2 Assignment in Connection with a Change in Control

Any direct change of control of Awardee or Awardee's Parent (whether voluntary or by operation of Law) is deemed an assignment and shall require the prior written consent of PG&E which consent shall not be unreasonably conditioned, delayed or withheld, provided that the requirements identified in Section 10.1(a) through (e) are met. Awardee shall use commercially reasonable efforts to provide PG&E (a) Notice at least ten (10) days prior to

the effectiveness of any indirect change in control, and shall in any event provide such Notice no later than ten (10) Business Days after the indirect change in control, and (b) such other information as PG&E may reasonably request in connection with such change in control.

10.3 Unauthorized Assignment

Any attempted assignment that violates this Article 10 is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Awardee. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

11 DISPUTE RESOLUTION

The Parties agree to attempt to resolve all disputes associated with this Agreement according to the provisions of this Article 11.

11.1 Notification and Negotiation

A. In the event of a dispute, the dispute shall be documented in a written Notice by the aggrieved Party to the other Party containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express Notice by the aggrieved Party that it is invoking the procedures under this Article 11. The Notice shall be sent to the Party's email address and physical address set forth under Notices in Article 13. A copy of the Notice shall also be sent to the Energy Division, Office of the Director, at the CPUC. The receiving Party shall acknowledge the notice within five (5) Calendar Days of its receipt.

B. Upon the aggrieved Party notifying the other Party of the dispute, each Party must designate a representative with the authority to make decisions for its respective Party to review the dispute within seven (7) Calendar Days.

C. Upon receipt of Notice, receiving Party shall provide the aggrieved Party with all relevant regulatory and/or technical details and analysis regarding the MIP Project under dispute within twenty-one (21) Calendar Days.

D. Within forty-five (45) Calendar Days of the date of the Notice, the Parties' Authorized Representatives will be required to meet and confer to try to resolve the dispute. Parties are expected to operate in good faith and use best efforts to resolve the dispute.

E. If a resolution is not reached in forty-five (45) Calendar Days from the date of the notice, either 1) a Party may request to continue negotiations for an additional forty-five (45) Calendar Days or 2) the Parties may by mutual agreement make a written request for mediation to the Alternative Dispute Resolution (ADR) Coordinator in the CPUC's Administrative Law Judge (ALJ) Division. The request may be submitted by electronic mail to adr_program@cpuc.ca.gov. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

F. At any time, either Party may file a formal complaint before the CPUC pursuant to

California PUC section 1702 and Article 4 of the CPUC's Rules of Practice and Procedure. Nothing in this section shall be construed to limit the rights of any Party to exercise rights and remedies under ~~CPUC~~ California law.

11.2 Performance During Dispute

A. Pending resolution of any dispute under this Article 11, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement unless this Agreement has been terminated.

B. If a dispute for which a Party has provided a Notice pursuant to this Article 11 remains unresolved to the satisfaction of either Party more than sixty (60) days following receipt of the Notice, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

12 GENERAL PROVISIONS

12.1 General

All attached Appendices are hereby incorporated by reference and are made part of this Agreement. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). The headings used herein are for convenience and reference purposes only.

12.2 Severability

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

12.3 Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by e-mail will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by e-mail will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

12.4 Interpretation

The following rules of interpretation apply:

A. The term "including" means "including without limitation"; the terms "year" and "calendar year" mean the period of months from January 1 through and including December 31; the term "month" means a calendar month unless otherwise indicated, and a "day" means a 24-hour period beginning at 12:00:01 a.m. and ending at 12:00:00 midnight; provided that a "day" may be 23 or 25 hours on those days on which daylight-saving time begins or ends, respectively.

B. Unless otherwise specified herein, where the consent of a Party is required, such consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

C. Unless otherwise specified herein, all references herein to any Order, tariff, agreement, or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding Order, tariff, agreement or document as then exist at the applicable time to which such construction applies unless otherwise specified.

D. In the event of any conflict between the terms and conditions of this Agreement and any of the following agreements, the terms and conditions of the following agreements will control: the MOA, any MIP Project Interconnection Agreements under PG&E's Electric Rule 21 or PG&E's Wholesale Distribution Tariff, PG&E's Electric Rule 2, and any Microgrid Special Facilities Agreements.

E. Capitalized terms used in this Agreement, including the appendices hereto, have the meaning set forth in Appendix I-B, unless otherwise specified.

F. References in the singular include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons include partnerships, firms, companies, corporations, limited liability companies, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

G. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Words referring to market rules, activities and practice have the meaning generally ascribed to such words in California.

H. References to a particular section, subsection, paragraph, subparagraph, appendix, or attachment will, unless specified otherwise, be a reference to that section, subsection, paragraph, subparagraph, appendix, or attachment in or to this Agreement.

I. Any reference in this Agreement to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity succeeding to its functions.

J. All references to dollars or "$" are to U.S. dollars.

K. When an action is required to be completed on a Business Day, such action must be

completed prior to 5:00 p.m. on such day, Pacific prevailing time, and actions occurring after 5:00 p.m. (such as the delivery of a Notice) will be deemed to have occurred on the following Business Day.

12.5 Recordings

No conversation between the Parties may be recorded by a Party without the express consent of the other Party.

12.6 Authorized Representatives

Each Party shall provide Notice to the other Party of the persons authorized to make or receive other Notices on behalf of such Party or to represent a Party ("Authorized Representative") and in connection with such Notices and specify the scope of their individual authority and responsibilities. Either Party may change its designation of such persons and the scope of their individual authorities and responsibilities from time to time in its sole discretion by providing Notice.

12.7 No Dedication

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. No undertaking by one Party to the other Party under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of PG&E as an independent public utility corporation or Awardee as an independent individual or entity.

12.8 Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

12.9 Taxes

A. The Parties agree to follow all applicable tax laws and regulations.

B. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PG&E's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

12.10 Regulatory Oversight

The Agreement shall be subject to changes or modifications by the California Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

[Note: Section 12.11 applicable solely if Awardee is a sovereign Indian tribe]

12.11 Limited Waiver of Sovereign Immunity

Awardee agrees to provide a limited waiver of sovereign immunity as set forth in Appendix VIII. In the event of a conflict between Appendix VIII and any other waivers set forth in this Agreement, Appendix VIII shall control.

13 NOTICES

13.1 Notices

Whenever this Agreement requires or permits delivery of a Notice (or requires a Party to "Notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. Notices may be sent by overnight mail or courier or e-mail. Invoices may be sent by e-mail. A Notice sent by e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a Notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Notices shall be addressed as follows:

PG&E:
(Name)
(Title)
(Address)
(email)
(phone)

Awardee:
(Name)
(Title)
(Address)
(email)
(phone)

14 SIGNATURE

Agreement Execution

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its Authorized Representative as of the dates provided below:

_____ *[~~Awardee~~The Tribal or Local Governmental Authority]*_____, a _____ ~~company~~	**PACIFIC GAS AND ELECTRIC COMPANY, a California corporation**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX I-A – ACRONYMS

ADR – Alternative Dispute Resolution

AIR – Application Incentive Request

ALJ – Administrative Law Judge

CAISO - California Independent System Operator

CARB – California Air Resource Board

CMET - Community Microgrid Enablement Tariff

CMG - Community Microgrid

CPUC - California Public Utilities Commission

IFOM – In Front of the Meter

IOD - Islanding Operation Date

MIP – Microgrid Incentive Program

MIS – Microgrid Islanding Study

MOA - Microgrid Operating Agreement

PG&E - Pacific Gas and Electric Company

APPENDIX I-B – GENERAL DEFINITIONS

1. **Affiliate**. Affiliate of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative or agent or subsidiary of the Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, through one or more intermediaries, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.
2. **Applicable Rules and Standards**. Electric Rule 2, PG&E's Wholesale Distribution Tariff, CMET and Electric Rule 21.
3. **Application Incentive Request (AIR)**. The amount of funding, excluding the MIP Application Development Grant, requested by the MIP Applicant.
4. **Authorized Representative**. As defined in Section 12.6.
5. **Awardee**. The entity that is counterparty to this Grant Agreement.
6. **Balance of System.** All of the MIP Project tangible and non-tangible assets, facilities, and equipment owned or controlled by the CMG Aggregator, other than the MIP Project Resources and Non-Project Resources, necessary to meet the requirements of the MIP Project as identified in the Microgrid Islanding Study and listed in Appendix V - MIP Project Resources and Balance of System Facilities of MOA.
7. **Blue Sky Mode**. The normal mode of operation when the Community Microgrid is interconnected to and operating in parallel with the Distribution System, is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
8. **Business Day**. Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving
9. **CAISO**. The California Independent System Operator Corporation or any successor entity performing similar functions.
10. **Calendar Day**. Any day, including Saturday, Sunday or a Federal and State Holiday
11. **California Public Utility Commission or Commission or CPUC**. The Public Utilities Commission of the State of California
12. **Community Microgrid (CMG)**. As defined in PG&E's Community Microgrid Enablement Tariff.
13. **Community Microgrid Aggregator (CMG Aggregator)**. The entity that is counterparty

to the MOA. The CMG Aggregator coordinates control of MIP Project Resources consistent with relevant provisions of PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff Generator Interconnection Procedures, and PG&E's Electric Rule 21 including frequency and voltage and other power quality requirements within PG&E established control parameters to enable the MIP Project to operate in Island Mode.

14. **Contractor**. The engineering, procurement, and construction contractor and its subcontractors, as well as Awardee or Awardee's Affiliates and their subcontractors if any such entities are developing, constructing, operating or maintaining the MIP Project during the Term, and any entity or person under contract with Awardee or Awardee's Affiliates for the purpose of developing, constructing, operating or maintaining the MIP Project during the Term.

15. **Defaulting Party**. The Party that is subject to an Event of Default

~~16. **Development Performance Assurance or DPA**. As defined in Section 4.3 of this Agreement.~~

~~17.~~16. **Distribution Provider**. PG&E, which owns, controls, and operates facilities used to provide Distribution Service to the customers within the Microgrid Boundary under this MIP.

~~18.~~17. **Distribution System**. PG&E's distribution system broadly consists of the stepdown transformation with substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors including service drops and meters.

~~19.~~18. **Distribution Upgrades**. The additions, modifications, and upgrades to PG&E's Distribution System necessary to facilitate construction and microgrid operation of the MIP Project. Distribution Upgrades do not include the CMG Aggregator's Project Balance of System.

~~20.~~19. **Effective Date**. The date upon which both Parties have executed this Agreement.

~~21.~~20. **Eligible Project Cost**. All necessary, reasonable, and directly attributable costs incurred in the execution and completion of the MIP Project, as approved by PG&E in Appendix VI. Any costs incurred outside the parameters set forth in this Agreement or deemed non-essential, extravagant, or unrelated to the Project's primary objectives shall be excluded from the definition of "Eligible Project Cost".~~."~~ The determination of eligibility for any cost shall be at the sole discretion of PG&E, and such determination shall be final here.

~~22.~~21. **Event of Default**. The failure of a Defaulting Party to cure a default under this Agreement.

~~23.~~22. **Final Project Report**. Is a document submitted by the Awardee to PG&E within six months after the Initial Operation Date (IOD) providing an overview of the project, summarizes accomplishments, recommends improvements, describes challenges, and includes any additional information requested by PG&E.

~~24.~~23. **Governmental Authorities**. Any federal, State, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory, or administrative body, having jurisdiction as to the matter in question.

~~25.~~24. **Grid Forming Project Resource(s)**. Is a MIP Project Resource that, among other features, has the ability to (i) black start the MIP Project when in Island Mode and deenergized, and (ii) provide voltage and frequency stability and control within a range acceptable to PG&E during Island Mode operation.

~~26.~~25. **Incentive Award**. An Incentive Award is the amount of MIP incentive funding allocated to a MIP project by PG&E at its sole discretion. The Incentive Award amount is based on an MIP Applicant's AIR, subject to availability of MIP funds and MIP program requirements per the MIP Handbook.

~~27.~~26. **Incentive Milestone**. The Incentive Award shall be paid to the Awardee through a series of Incentive Payments associated with a successive set of project milestones based on key development activities during the Term. The milestones must be agreed upon completion dates required for the development and operation of the MIP Project and subsequent payment of incentives as set forth in Appendix III of this Agreement.

~~28.~~27. **Incentive Payment**. Incentive Payment refers to the portion of the MIP Incentive Award, allocated to a specific MIP project by PG&E.

~~29.~~28. **Interconnection Agreement**. The agreement and associated documents or any successor agreement and associated documentation governing the terms and conditions of the interconnection of the MIP Project Resource(s) with PG&E's grid, including any description of the plan for interconnecting the MIP Project Resource(s) to the grid.

~~30.~~29. **Interconnection Allowance**. An amount funded by utility ratepayers in addition to the MIP Incentive Award, the MIP Application Development Grant, and the Microgrid Special Facilities Allowance that covers all or a portion of the costs of Interconnection Studies, Interconnection Facility Upgrades, and Distribution Upgrades identified per the applicable interconnection tariff for eligible Project Resources.

~~31.~~30. **Interconnection Facilities**. The electrical wires, switches and related equipment that are required in addition to the facilities required to provide electric Distribution Service to a Customer to allow Interconnection. Interconnection Facilities may be located on either side of the Point of Common Coupling as appropriate to their purpose and design. Interconnection Facilities may be integral to a Generating Facility or provided separately. Interconnection Facilities may be owned by either Producer or PG&E.

~~32.~~31. **Interconnection Study**. A study to establish the requirements for interconnection of a Generating Facility to PG&E's Distribution System or Transmission System, pursuant to WDAT or Electric Rule 21, as applicable.

~~33.~~32. **Island Mode**. Operation of the Microgrid by the Distribution Provider when a Microgrid that normally operates in "Blue Sky" Mode (parallel mode) is disconnected from the Distribution System at the Microgrid Islanding Point. The Distribution Provider will operate the Microgrid in Island Mode by (i) direct dispatch of MIP Project Resources within the Microgrid Boundary, and/or (ii) by authorizing MIP Project Resources to operate within parameters specified by the Distribution Provider for voltage, frequency, and power quality.

~~34.~~33. **Islanding Operation Date (IOD)**. Means the date ~~state~~stated in the "CMET Project Islanding Operation Date Confirmation Letter" attached as Appendix XI-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.

34. **Law.** Any statute, law, treaty, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which become effective during the Term; or any binding interpretation of the foregoing.

35. **Local Governmental Authority.** -A California city, county, or other joint powers authority, such as a Community Choice Aggregator.

~~36.~~

~~37.~~36. **Microgrid.** An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined microgrid boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel (Blue Sky Mode) with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.

~~38.~~37. **Microgrid Incentive Program (MIP)**. A Program to enable community-proposed microgrids that provide enhanced resilience for vulnerable customer groups and/or critical facilities pursuant to California Public Utilities Commission (CPUC) Decision (D.) 21-01-018 in Track 2.

~~39.~~38. **Microgrid Islanding Study (MIS)**. An engineering study conducted by PG&E or its agents of the microgrid operation in an Island Mode and operating mode transitions. The study shall determine the required modifications to the PG&E's Distribution Facilities and

associated cost required to support Island Mode operation and microgrid transitions while maintaining voltage, frequency, and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

~~40.~~39. **Microgrid Operating Agreement (MOA).** An agreement between the PG&E and the MIP Community Microgrid Aggregator that governs MIP Project development and testing, and commercial operations to ensure safety and service quality in compliance with applicable PG&E rules.

~~41.~~40. **Microgrid Special Facilities**. Modifications to the PG&E's Distribution Facilities required to operationalize the Microgrid Boundary and Island Mode such that the Microgrid is capable of maintaining voltage, frequency, and power quality within the PG&E's control parameters in accordance with Electric Rule 2.

~~42.~~41. **Microgrid Special Facilities Agreement or "Microgrid SFA."** The agreement that describes the upgrades on the Distribution System, and at the MIP Project Site to be installed under the terms and conditions regarding Microgrid Special Facilities (or added facilities) on file with the CPUC, pursuant to PG&E's Electric Rule 2, and incorporated in Appendix IV-B of MOA.

~~43.~~42. **Microgrid Special Facilities Allowance**. An amount funded by utility ratepayers in addition to the MIP Incentive Award, the MIP Application Development Grant, and the Interconnection Allowance to cover all or a portion of the costs of the Microgrid Special Facilities cost and the MIS.

~~44.~~43. **MIP Application Development Grant**. A one-time, optional, limited, MIP-funded grant to MIP Applicants who submit an eligible MIP application and request such reimbursement.

~~45.~~44. **MIP Project**. Tangible and non-tangible assets, facilities, and equipment needed to create and operate a Community Microgrid, including the MIP Project Resources, Microgrid Special Facilities, MIP Project Balance of System, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to the CMET.

~~46.~~45. **MIP Project Resource(s)**. Electric generation, storage technology, and/or load management technology that the CMG Aggregator has control over consistent with relevant provisions in the MOA to enable the MIP Project to safely and reliably operate in Island Mode. The CMG Aggregator must have at least one Grid-Forming Project Resource that has a resource controller and has grid-forming capability sufficient to allow acceptable frequency and voltage during Island Mode operation. Project Resources must comply with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation, and must be

interconnected to the Distribution System within the Microgrid Boundary (either directly as front-of-the-meter Project Resources or indirectly as behind-the-meter Project Resources) pursuant to the Wholesale Distribution Tariff or PG&E's Electric Rule 21.

~~47.~~46. **Notice**. Unless otherwise specified in this Agreement, means a written communication which is delivered by overnight mail or courier service or electronic messaging (email), and in the manner required by Section 13, as applicable to a given communication.

~~48.~~47. **Operating Performance Requirements or OPA**. As defined in Section 4.1 of this Agreement.

48. **Operating Term Performance Assurance**. As defined in the MOA.

49. **Performance Bond**. A bond posted by a contractor in connection with a contract with Awardee to secure fulfillment of all the contractor's obligations under such contract with Awardee.~~, obtained from an entity that has a financial strength rating of "A-" from A.M. Best Company, Inc. minimum long term issuer credit rating for US$ obligations of "a-" from A.M. Best Company, Inc.~~

50. **Permit**. Any waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, license, or similar order of or from, or filing or registration with, or notice to, any Governmental Authority that authorizes, approves, limits, or imposes conditions upon a specified activity.

51. **State.** The State of California

52. **Term.** As defined in Section 1.1 of the Agreement

~~52.~~53. **Tribal Governmental Authority.** ~~In this document refers to t~~The governing authority, having jurisdiction as to the matter in question, for a group identified as a "California Native American tribe", meaning a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. See Cal. Pub. Res. Code § 21073. California Native American tribes include both federally recognized tribes and tribes that are not recognized by the federal government.

APPENDIX II – APPLICATION INCENTIVE REQUEST (AIR)

The Awardee's AIR with proposed Project Development Plan including proposed scheduled and estimated costs will be appended here.

APPENDIX III – INCENTIVE MILESTONES

An Incentive Milestone Payment schedule as illustrated below shall be completed for each MIP Project.~~.~~ ~~The Incentive Milestone Payment schedule will be derived from the estimated project costs in the Awardee~~There are two methods available for determining the timing and amounts for the I~~i~~ncentive ~~m~~Milestone Payments~~s~~. The Awardee may elect either of the two methods, at the Awardee's discretion. ~~If parties fail to reach~~

Alternative A: The first method is to ~~take~~ recover the total AIR awarded in equal ~~, and break it up into~~ increments of ten percent. As eligible project costs are accrued, the ~~Tribal or Local Governmental Authority~~Awardee shall be able to submit them for reimbursement once the total cost submitted for reimbursement is equal to ten percent of AIR. Estimated completion dates for each ten percent tranche will be included in the schedule form. If the project is completed without spending the full award amount, the final reimbursement payment will be made upon PG&E's receipt of confirmation of the commencement of operations of the microgrid in the form of ~~Alternatively, they will be able to submit costs for reimbursement alongside the completion of~~ MOA Appendix XI-B – "CMET Project Islanding Operation Date Confirmation Letter". Proof of costs for reimbursement will still apply to this payment as it does to the others.

Alternative B: ~~Alternatively, t~~The second method would involve creating a customized Incentive Milestone Payment schedule based upon ~~will be derived from~~ the estimated project milestones and costs in the Awardee's ~~Tribal or Local Governmental Authority~~'s ~~-~~ Project Development Plan and the total amount of incentive awarded. In this case, t~~T~~he Incentive Milestone schedule will describe each such milestone, the proposed completion date, total estimated cost to complete, the estimated Incentive Request anticipated for each Milestone, and the percentage each milestone payment is in relation to the total MIP Award. These milestones ~~are customizable and would~~shall be developed jointly between the ~~Tribal or Local Governmental Authority~~Awardee and PG&E.

In the event that Awardee selects Alternative B but Awardee and PG&E are not able to finalize the milestones [within [time period] of execution of this Agreement, then the AIR will be reimbursed pursuant to Alternative A. ~~The milestone reimbursement method selected is at the discretion of the Tribal or Local Governmental Authority.~~ The final Incentive Milestone Payment Schedule for this A~~a~~greement shall be inserted in this Appendix and replace this language and the following illustrations~~begins on the following page~~.

Illustrative Example of an Incentive Milestone Payment Schedule – Alternative A

MIP Incentive Payment Milestones						
Milestone	Description	Proposed Completion Date	Estimated Cost to Complete	Estimated MIP Incentive Request	% of MIP Award	Comments
1	Costs Incurred Equal 10% of Total AIR				10	
2	Costs Incurred Equal 20% of Total AIR				10	
3	Costs Incurred Equal 30% of Total AIR				10	
4	Costs Incurred Equal 40% of Total AIR				10	
5	Costs Incurred Equal 50% of Total AIR				10	
6	Costs Incurred Equal 60% of Total AIR				10	
7	Costs Incurred Equal 70% of Total AIR				10	
8	Costs Incurred Equal 80% of Total AIR				10	
9	Costs Incurred Equal 90% of Total AIR				10	
10	Costs Incurred Equal 100% of Total AIR or MOA Appendix XI-B – "CMET Project Islanding Operation Date Confirmation Letter" is received and approved by PG&E				10	

Totals:	(Total PDP Cost)	[Amount Awarded]	**100%**

Illustrative Example of an Incentive Milestone Payment Schedule – Alternative B

MIP Incentive Payment Milestones						
Milestone*	**Description**	**Proposed Completion Date***	**Estimated Cost to Complete***	**Estimated MIP Incentive Request****	**% of MIP Award**	**Comments**
1	Project Engineering Design					
2	Project Site Acquisition & Permitting					
3	Project Site Preparation					
4	Project Resource/s Delivered to Site					
5	Project Resources Installed w/PTO Received					
6	Microgrid Balance of System Installed					
7	Islanding Operation Date Confirmation Letter issued					
		Totals:	(Total PDP Cost)	[Amount Awarded]	**100%**	

*Milestones based on MIP Project Development Plan tasks, schedule and estimated costs to complete
** Estimated MIP incentive payment request at each milestone based on MIP Project Development Plan

APPENDIX IV – INCENTIVE PAYMENT REQUEST COVER SHEET

Pursuant to Section 2.3 of the Grant Agreement dated as of (insert date) between the Awardee and the PG&E, Awardee hereby submits an Incentive Payment Request as follows:

Incentive Milestone Number (per Appendix III): _____

Incentive Payment Request: $_____

Total Incentive Requests to Date: $_____

MIP Incentive Award (per Section 2.1): $_____

Incentive Award Amount Remaining: $_____

Awardee certifies that:

A. To the best of their knowledge and belief, all payments requested are correct, accurate, and complete, that payment therefore has not been received and that all amounts requested are for the appropriate purposes and in accordance with this Agreement.

B. After giving effect to the disbursement requested pursuant to this Incentive Payment Request, the total Incentive Payments disbursed will not exceed the maximum amount set forth in Section 2.1.

C. The representations and warranties made in the Agreement are true and correct in all material respects as if made on the date hereof.

D. No Event of Default has occurred and is continuing under the Agreement [or the MOA]

E. The undersigned is authorized to execute this Incentive Payment Request on behalf of Awardee.

_____
Signature of Authorized Requestor

_____
Title

_____
Date

APPENDIX V – SCHEDULE 1 TO INCENTIVE PAYMENT REQUEST COVER SHEET

The following sample schedule shall be used to support the Incentive Payment Request. This sample schedule should be used to itemize the Eligible Project Costs associated with the Milestone tasks associated with an Incentive Payment Request. Awardee shall verify that costs are eligible for incentive payment and the status of the activity. If the activity and related cost element is not complete, the estimated cost to complete shall be provided.

Task *	Cost Element & Description**	Incentive Amount Requested	MIP Eligible Cost (Y/N)	Activity Complete (Y/N)	Estimated Cost to Complete***	Comments
	Total:					

* MIP Project Development Plan tasks identified in the Project Development Plan at Work Breakdown Structure (WBS) Level 2.
** Identify the specific cost element associated with a task for which an incentive payment is requested.
*** Only needs to be filled in if task is not fully completed at the Milestone

APPENDIX VI – ELIGIBLE PROJECT COSTS

Eligible Project Costs include the following:

- The costs for purchasing IFOM MIP Project Resources and their grid-forming and grid-following inverters. To be eligible, none of these resources can be part of an Interconnection Agreement with PG&E executed before the close of the Application Window used for your Microgrid Application.
- The costs for purchasing IFOM MIP Project Resource's controller, protection, and communications equipment.
- Permitting and licensing expenses incurred for IFOM MIP Project Resource(s) and Balance of System prior to a microgrid's Islanding Operation Date.
- Expenses related to reconfiguring behind-the-meter (BTM) electric service equipment so specific customer or facility loads can be isolated and served when the microgrid is in Island Mode.
- Project management costs, including costs related to engineering, studies, system integration, and construction activities for IFOM MIP Project Resource and Balance of System. Includes site preparation, civil, electrical, and mechanical work.
- Expenses associated with purchasing or leasing property for the IFOM MIP Project Resources and Balance of Systems Leasing property expenses should reflect the present value of the lease for the property needed for the IFOM MIP Project Resources and Balance of System.
- Costs related to community outreach activities conducted for the microgrid.
- Costs associated with developing a microgrid proposal and MIP Application, to the extent not covered in the optional MIP Application Development Grant.
- Related legal costs.
- Taxes to the extent applicable on any of the above.
- Costs related to providing a Letter of Credit as Development Performance Assurance, provided that such costs do not exceed five percent (5%) of the total amount of the AIR.

Costs that are not eligible for MIP incentive award include but may not be limited to:

- Costs related to behind-the-meter resources associated with a MIP Project, including interconnection studies and distribution upgrades as may be applicable.
- Expenses associated with the operation and maintenance of the MIP Project.
- Other ineligible costs as identified in the CPUC's Decision 23-04-034, as may from time to time be modified by the CPUC.

APPENDIX VII – MIP PROJECT REPORTING FORM

MIP Project Reports shall include a summary description of project development status, including a discussion of any actual and forecast schedule and cost variances, and corrective actions being undertaken to address variances. MIP Project Reports shall also include supporting project status detail in a similar form to the sample table below.

Project Tasks		Project Schedule							Project Costs ($K)			
		Planned		Forecast		Actual		Schedule Variance (days)				
Task*	Description	Start Date	Completion Date	Start Date	Completion Date	Start Date	Completion Date		Planned	Actual to Date	Forecast to Completion	Cost Variance
1												
2												
3												
4												
5												
6												
7												
8												
9												
							Totals:					

APPENDIX VIII – LIMITED WAIVER OF SOVEREIGN IMMUNITY

(a) The Parties acknowledge that Awardee is a sovereign ~~Indian~~ Tribe, and that, as such, Awardee, its officers, agents and assigns possess sovereign immunity from unconsented suits and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of Awardee's sovereign immunity, except as expressly provided in this Appendix VIII. PG&E and Awardee agree that this Agreement is fully enforceable between the Parties. Therefore, Awardee hereby provides this limited express ~~unconditional and irrevocable~~ waiver of Awardee's sovereign immunity, for the limited purpose of enforcing this Agreement (including each and all of the terms and conditions of this Agreement), and in accordance with, and as limited by, the express terms of this Agreement. Awardee provides this limited waiver of its sovereign immunity solely for disputes arising between the parties under this Agreement pursuant to Article 11. This limited waiver shall not apply to any other party or to disputes that do not arise out of this Agreement. PG&E hereby ~~expressly unconditionally and irrevocably~~ agrees that this limited waiver of sovereign immunity provided by Awardee shall be strictly and narrowly construed in favor of Awardee.

(b) With respect to all actions, suits, claims, proceedings or counterclaims (each, a "Claim"), Awardee and each of its officers, agents and assigns hereby expressly~~, unequivocally, unconditionally and irrevocably~~ waives its sovereign immunity, and all defenses based thereon, from any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement, in each case of any nature, whether such Claim is brought in or arises under law, equity, contract, tort or statute (inclusive of Claims for equitable or provisional relief and to compel arbitration, and whether through service of notice, attachment prior to judgment, exercise of contempt powers, or otherwise) (an "Action"), for the limited purpose of resolving Claims and the judicial enforcement thereof, to resolve any controversy arising from this Agreement, to enforce or interpret the express terms and conditions of this Agreement, or otherwise related to this Agreement, as provided for in this Agreement.

(c) Awardee expressly~~, unequivocally, unconditionally and irrevocably~~ waives ~~any and all governmental immunities, including~~ sovereign immunity, solely in connection with any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement and all defenses based thereon as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, any form of relief, or order related thereto. Awardee further ~~irrevocably and unconditionally~~ consents to the jurisdiction of the arbitrators and/or specified courts described in Article 11 of this Agreement, including each Party's consent to be bound by a lawful order or judgment, to the extent provided for herein.

(d) With respect to any Action between PG&E and Awardee, each of the Parties expressly consents and agrees to the dispute resolution provisions set forth in Article 11 of this Agreement, and~~, without limiting the generality of this Appendix VIII,~~ Awardee hereby agrees that the limited waivers of sovereign immunity described in this Appendix VIII apply and waive Awardee's sovereign immunity (to the extent described in this Appendix VIII) in connection with any arbitration under Article 11 of this Agreement and any judgment or award described in Article 11 of this Agreement. Awardee specifically expressly~~, unequivocally, and irrevocably~~ waives sovereign immunity for the limited jurisdictional purposes set forth in this Appendix VIII and in Article 11 of this Agreement. The Parties specifically agree that the arbitrators and courts set forth in Article 11 of this Agreement shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement, which shall be binding and enforceable on each Party. Awardee shall not contest jurisdiction or venue to the extent selected in accordance with Article 11 of this Agreement. Awardee hereby waives any argument that a tribal forum has jurisdiction over the limited waiver of sovereign immunity and this Agreement, that it shall not plead or invoke the doctrine of exhaustion of tribal or other administrative or tribal judicial remedies, defenses of tribal immunity or that Awardee is an indispensable party, and Awardee hereby waives any and all such requirements.

(e) ~~The Parties agree that to the extent any provisions of this Agreement are rendered ineffective by any later changes in tribal law, any such change shall constitute a breach of the terms of this Agreement and be actionable by PG&E under the terms of this Agreement. Awardee waives any benefits, rights, immunities, privileges or limitations in applicable tribal law that would otherwise foreclose any remedy or relief permitted by this Agreement.~~ Awardee hereby consents to injunctive relief, where the standards for such relief are proven, in the forums enumerated in Section 12.8 of this Agreement should Awardee ever attempt to revoke, limit or restrict the limited waiver of sovereign immunity, where the legal standards for such relief are satisfied.

(f) In any Action as to which Awardee has waived its sovereign immunity as provided herein, Awardee consents and agrees that process against Awardee shall be effective if served by sending a copy of the process in accordance with the notice provisions set forth in Section 13.1 of this Agreement.

APPENDIX IX

DEVELOPMENT TERM PERFORMANCE ASSURANCE REQUIREMENTS

1. Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent the Awardee delivers the Development Performance Assurance hereunder, Awardee hereby grants to PG&E, as the secured party, a first priority security interest in, and lien on (and right of setoff against), and assignment of, all such DPA posted with PG&E in the form of cash collateral and cash-equivalent collateral and any proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, PG&E. Within thirty (30) days of the delivery of DPA, Awardee agrees to take such action as PG&E reasonably requires in order to perfect a first-priority security interest in, and lien on (and right of setoff against), such DPA and any proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence, and during the continuation, of a Awardee's Event of Default, PG&E, as the non-Defaulting Party, may do any one or more of the following: (a) exercise any of the rights and remedies of a secured party with respect to all DPA, including any such rights and remedies under the Law then in effect; (b) draw on any outstanding Letter of Credit issued for its benefit; and (c) liquidate all DPA, then held by or for the benefit of PG&E free from any claim or right of any nature whatsoever of Awardee, including any equity or right of purchase or redemption by Awardee. PG&E shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Awardee's obligations under this Agreement (Awardee remains liable for any amounts owing to PG&E after such application), subject to PG&E's obligation to return any surplus proceeds remaining after such obligations are satisfied in full. "Letter of Credit" means an irrevocable, non-transferable standby letter of credit, the form of which must be substantially as contained in Appendix IX-A to this Agreement, issued by an issuer that is an Eligible LC Bank on the date of delivery to PG&E (including any amendments or renewals, pursuant to Section 3 below); provided, that if the issuer is a U.S. branch of a foreign commercial bank, PG&E may require changes to such form.

   "Eligible LC Bank" means either a U.S. commercial bank, or a foreign bank issuing a Letter of Credit through its U.S. branch; and in each case the issuing U.S. commercial bank or foreign bank must be acceptable to Buyer in its sole discretion and such bank must have a Credit Rating of at least: (a) "A-, with a stable designation" from S&P and "A3, with a stable designation" from Moody's, if such bank is rated by both S&P and Moody's; or (b) "A-, with a stable designation" from S&P or "A3, with a stable designation" from Moody's, if such bank is rated by either S&P or Moody's, but not both, even if such bank was rated by both S&P and Moody's as of the date of issuance of the Letter of Credit but ceases to be rated by either, but not both of those ratings agencies.

   "Credit Rating" means, with respect to any entity, (a) the rating then assigned to such entity's unsecured senior long-term debt obligations (not supported by third party credit enhancements), or (b) if such entity does not have a rating for its unsecured senior long-term debt obligations, then the rating assigned to such entity as an issuer rating by S&P and/or Moody's. If the entity is rated by both S&P and Moody's and such ratings are not equivalent, the lower of the two ratings shall determine the Credit Rating. If the entity is

rated by either S&P or Moody's, but not both, then the available rating shall determine the Credit Rating.

2. Development Performance Assurance. Awardee shall maintain in full force and effect during the Term all DPA required under this Agreement. No later than ten (10) Business Days prior to an Incentive Milestone date, Awardee will deliver to PG&E DPA in an amount equal to 100% of the MIP Incentive Award related to such Incentive Milestone as collateral to secure its obligations under this Agreement, either in the form of a Letter of Credit issued with an Eligible LC Bank, or cash via wire transfer to PG&E (all such amounts, the "Development Performance Assurance" or "DPA"). The aggregate amount of DPA required under this Agreement shall not be deemed a limitation of damages.

3. Letter of Credit. Development Performance Assurance provided in the form of a Letter of Credit shall be subject to the following provisions:

3.1. If Awardee has provided a Letter of Credit pursuant to any of the applicable provisions in this Appendix IX, then Awardee shall renew or cause the renewal of any such outstanding Letter of Credit on a timely basis in accordance with this Agreement.

3.2. In the event the issuer of any such Letter of Credit at any time (i) fails to maintain the requirements of an Eligible LC Bank or Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit, or (iii) fails to honor PG&E's properly documented request to draw on such Letter of Credit, Awardee shall cure such occurrence by complying with either (A) or (B) below in an amount equal to the outstanding Letter of Credit, and by completing the action within five (5) Business Days after the date of PG&E's Notice to CMG Aggregator of an occurrence listed in this subsection (Awardee's compliance with either (A) or (B) below is considered the "Cure"):

A. providing a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank which is the subject of PG&E's Notice to Awardee in this Section 3.2 of Appendix IX, or

B. posting cash.

If Awardee fails to Cure or if such Letter of Credit expires or terminates without a full draw thereon by PG&E, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then Awardee shall have failed to meet the DPA requirements in Section 4.2 of this Agreement.

3.3 Notwithstanding Section 3.2 of this Appendix IX, if, at any time, the issuer of such Letter of Credit has a Credit Rating on "credit watch" negative or developing by S&P, or is on Moody's "watch list" under review for downgrade or uncertain ratings action (either a "Watch"), then PG&E may make a demand to Awardee by Notice ("LC Notice") to provide a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank on a Watch ("Substitute Letter of Credit"). The Parties shall have

thirty (30) Business Days from the LC Notice to negotiate a Substitute Letter of Credit ("Substitute Bank Period").

3.4 If the Parties do not agree to a Substitute Letter of Credit by the end of the Substitute Bank Period, then PG&E shall provide Awardee with Notice within five (5) Business Days following the expiration of the Substitute Bank Period ("Ineligible LC Bank Notice Period") that either:

A. PG&E agrees to continue accepting the then currently outstanding Letter of Credit from the bank that is the subject of the LC Notice, but such bank shall no longer be an Eligible LC Bank ("Ineligible LC Bank") and PG&E will not accept future or renewals of Letters of Credit from the Ineligible LC Bank; or

B. The bank that is the subject of the LC Notice is an Ineligible LC Bank and Awardee shall then have thirty (30) days from the date of PG&E's Notice to Cure and, if Awardee fails to Cure, then PG&E may declare an Awardee's Event of Default pursuant to Article 7 of this Agreement.

If the Parties have not agreed to a Substitute Letter of Credit and PG&E fails to provide a Notice during the Ineligible LC Bank Notice Period above, then Awardee may continue providing the Letter of Credit posted immediately prior to the LC Notice.

3.5 In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by Awardee.

4. Use of Development Performance Assurance. PG&E may draw upon the DPA if there is an Awardee Event of Default under Article 7 of this Agreement that is not timely cured as provided in Section 7.2 of this Agreement, up to the full amount of any MIP Incentive Award funds disbursed to Awardee and through the date of such Event of Default to the extent not otherwise returned to PG&E by Awardee, subject only to adjustment for costs and expenses related to recovery by Awardee as provided Section 7.2(C) of this Agreement. Each Party agrees that (i) the damages that PG&E would incur due to an Awardee Event of Default would be difficult or impossible to predict with certainty and (ii) the retention of DPA as provided in this Section 4 is an appropriate approximation of such damages.

5. Payment and Transfer of Interest. PG&E shall pay interest on cash held as DPA, at the Interest Rate and on the Interest Payment Date. PG&E will transfer to Awardee all accrued Interest Amount on the unused cash DPA in the form of cash by wire transfer to the bank account specified by Awardee. "Interest Amount" means, with respect to an Interest Period, the amount of interest calculated as follows: (a) the sum of (i) the principal amount of DPA in the form of cash held by PG&E during that Interest Period, and (ii) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (b) multiplied by the Interest Rate in effect for that Interest Period; (c) multiplied by the number of days in that Interest Period; (d) divided by 360. "Interest

Rate" means the rate per annum equal to the "Monthly" Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication. "Interest Period" means the monthly period beginning on the first day of each month and ending on the last day of each month. "Interest Payment Date" means the date of returning unused DPA held in the form of cash.

6. Return of Performance Assurance. PG&E shall return the unused portion of any DPA, including the payment of any Interest Amount due thereon pursuant to Section 5 of this Appendix IX above, to Seller as follows:

(A) Provided no default is occurring, the unused portions of the DPA amount posted by the Awardee will be released after the Islanding Operation Date (IOD) within ten (10) Business Days of PG&E's receipt of all required Operating Term Performance Assurance from CMG Aggregator pursuant to the MOA;

(B) the Term has ended, or this Agreement has been terminated pursuant to Section 7.4, as applicable; and

(B) any payment obligations of Awardee arising under this Agreement, including indemnification payments or other damages, are paid in full.

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT MIP AWARDEES]

APPENDIX IX-A – FORM OF LETTER OF CREDIT

ISSUING BANK LETTERHEAD AND ADDRESS

STANDBY LETTER OF CREDIT NO. XXXXXXXX

DATE: *[INSERT ISSUE DATE]*

BENEFICIARY:	PACIFIC GAS AND ELECTRIC COMPANY	APPLICANT:	[INSERT NAME AND ADDRESS OF APPLICANT]

300 LAKESIDE DR.,

OAKLAND, CA 94612

ATTENTION: CREDIT RISK MANAGEMENT

LETTER OF CREDIT AMOUNT: *[INSERT AMOUNT]*

EXPIRY DATE: *[INSERT EXPIRY DATE]*

LADIES AND GENTLEMEN:

BY ORDER OF *[INSERT NAME OF APPLICANT]* **("APPLICANT"), WE HEREBY ISSUE IN FAVOR OF PACIFIC GAS AND ELECTRIC COMPANY (THE "BENEFICIARY") OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.** *[INSERT NUMBER OF LETTER OF CREDIT]* **("LETTER OF CREDIT"), FOR THE ACCOUNT OF APPLICANT, FOR DRAWINGS UP TO BUT NOT TO EXCEED THE AGGREGATE SUM OF U.S. $** *[INSERT AMOUNT IN FIGURES FOLLOWED BY (AMOUNT IN WORDS)]* **("LETTER OF CREDIT AMOUNT"). THIS LETTER OF CREDIT IS AVAILABLE WITH** *[INSERT NAME OF ISSUING BANK, AND THE CITY*

~~*AND STATE IN WHICH IT IS LOCATED]* BY SIGHT PAYMENT, AT OUR OFFICES LOCATED AT THE ADDRESS STATED BELOW, EFFECTIVE IMMEDIATELY, AND IT WILL EXPIRE AT OUR CLOSE OF BUSINESS ON *[INSERT EXPIRY DATE]* (THE "EXPIRY DATE").~~

~~FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO THE BENEFICIARY AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS (WHICH MAY BE PRESENTED BY OVERNIGHT COURIER OR BY FACSIMILE OR EMAIL):~~

~~1. BENEFICIARY'S SIGNED AND DATED SIGHT DRAFT IN THE FORM OF EXHIBIT A HERETO, REFERENCING THIS LETTER OF CREDIT NO. *[INSERT NUMBER]* AND STATING THE AMOUNT OF THE DEMAND; AND~~

~~2. ONE OF THE FOLLOWING STATEMENTS SIGNED BY AN AUTHORIZED REPRESENTATIVE OR OFFICER OF BENEFICIARY:~~

~~A. "PURSUANT TO THE TERMS OF THAT CERTAIN *[INSERT NAME OF AGREEMENT]* (THE "AGREEMENT"), DATED *[INSERT DATE OF THE AGREEMENT]*, BETWEEN BENEFICIARY AND *[INSERT NAME OF SELLER UNDER THE AGREEMENT]*, BENEFICIARY IS ENTITLED TO DRAW UNDER LETTER OF CREDIT NO. *[INSERT NUMBER]* AMOUNTS OWED BY *[INSERT NAME OF SELLER UNDER THE AGREEMENT]* UNDER THE AGREEMENT; OR~~

~~B. "LETTER OF CREDIT NO. *[INSERT NUMBER]* WILL EXPIRE IN THIRTY (30) DAYS OR LESS AND *[INSERT NAME OF SELLER UNDER THE AGREEMENT]* HAS NOT PROVIDED REPLACEMENT SECURITY ACCEPTABLE TO BENEFICIARY.~~

~~SPECIAL CONDITIONS:~~

~~1. PARTIAL AND MULTIPLE DRAWINGS UNDER THIS LETTER OF CREDIT ARE ALLOWED;~~

~~2. ALL BANKING CHARGES ASSOCIATED WITH THIS LETTER OF CREDIT ARE FOR THE ACCOUNT OF THE APPLICANT;~~

~~3. THIS LETTER OF CREDIT IS NOT TRANSFERABLE; AND~~

~~4. THE EXPIRY DATE OF THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED WITHOUT A WRITTEN AMENDMENT HERETO FOR A PERIOD OF ONE (1) YEAR AND ON EACH SUCCESSIVE EXPIRY DATE, UNLESS AT LEAST SIXTY (60) DAYS BEFORE THE THEN CURRENT EXPIRY DATE WE NOTIFY YOU BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO EXTEND THE EXPIRY DATE OF THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD.~~

~~WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION, ON OR BEFORE THE EXPIRY DATE (OR AFTER THE EXPIRY DATE IN CASE OF AN INTERRUPTION OF OUR BUSINESS AS STATED BELOW), AT OUR OFFICES AT *[INSERT ISSUING BANK'S ADDRESS FOR DRAWINGS]*.~~

~~ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF COPIES OR ORIGINAL DOCUMENTS, OR BY FACSIMILE, E-MAIL, OR OTHER ELECTRONIC TRANSMISSION OF DOCUMENTS TO *[INSERT FAX NUMBER, EMAIL OR OTHER ELECTRONIC TRANSMISSION]*, ATTENTION: *[INSERT NAME OF ISSUING BANK'S RECEIVING DEPARTMENT] OR [INSERT EMAIL OR OTHER ELECTRONIC TRANSMISSION ADDRESS]*. IF A DEMAND IS MADE BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC TRANSMISSION, THE ORIGINALS OR COPIES OF DOCUMENTS MUST FOLLOW BY OVERNIGHT MAIL, AND YOU MAY CONTACT US AT *[INSERT PHONE NUMBER]* TO CONFIRM OUR RECEIPT OF THE TRANSMISSION. YOUR FAILURE TO SEEK SUCH A TELEPHONE CONFIRMATION DOES NOT AFFECT OUR OBLIGATION TO HONOR SUCH A PRESENTATION.~~

~~OUR PAYMENTS AGAINST COMPLYING PRESENTATIONS UNDER THIS LETTER OF CREDIT WILL BE MADE NO LATER THAN ON THE SIXTH (6TH) BANKING DAY FOLLOWING A COMPLYING PRESENTATION.~~

~~EXCEPT AS STATED HEREIN, THIS LETTER OF CREDIT IS NOT SUBJECT TO ANY CONDITION OR QUALIFICATION. IT IS OUR INDIVIDUAL OBLIGATION, WHICH IS NOT CONTINGENT UPON REIMBURSEMENT AND IS NOT AFFECTED BY ANY AGREEMENT, DOCUMENT, OR INSTRUMENT BETWEEN US AND THE APPLICANT OR BETWEEN THE BENEFICIARY AND THE APPLICANT OR ANY OTHER PARTY.~~

~~EXCEPT AS OTHERWISE SPECIFICALLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE *UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 2007 REVISION,* INTERNATIONAL CHAMBER OF COMMERCE (ICC) PUBLICATION NO. 600 (THE "UCP 600"); PROVIDED THAT, IF THIS LETTER OF CREDIT EXPIRES DURING AN INTERRUPTION OF OUR BUSINESS AS DESCRIBED IN ARTICLE 36 OF THE UCP 600, WE WILL HONOR DRAFTS PRESENTED IN COMPLIANCE WITH THIS LETTER OF CREDIT, IF THEY ARE PRESENTED WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF OUR BUSINESS, AND WILL EFFECT PAYMENT ACCORDINGLY.~~

~~THE ELECTRONIC COPY OF THIS LETTER OF CREDIT SHALL BE THE~~

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT MIP AWARDEES]

~~OPERATIVE INSTRUMENT UNTIL SUCH TIME AS THE ORIGINAL IS RECEIVED. THIS LETTER OF CREDIT CAN BE AMENDED OR TERMINATED BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC TRANSMISSION.~~

~~THE LAW OF THE STATE OF NEW YORK SHALL APPLY TO ANY MATTERS NOT COVERED BY THE UCP 600.~~

~~FOR TELEPHONE ASSISTANCE REGARDING THIS LETTER OF CREDIT, PLEASE CONTACT US AT *[INSERT NUMBER AND ANY OTHER NECESSARY DETAILS].*~~

~~VERY TRULY YOURS,~~

~~*[INSERT NAME OF ISSUING BANK]*~~

~~BY:~~

_____
~~AUTHORIZED SIGNATURE~~

~~NAME:~~ ~~*[PRINT OR TYPE NAME]*~~

_____

~~TITLE:~~ ~~*[PRINT OR TYPE TITLE]*~~

_____

~~*[NOTE: ALL PAGES MUST CONTAIN THE LETTER OF CREDIT NUMBER AND PAGE NUMBER FOR IDENTIFICATION PURPOSES.]*~~

---------- END ----------

Attachment 2

Form of MIP Grant Agreement for local and tribal governments –

(Clean version showing all modifications proposed in AL 7660-E and AL 7660-E-A to the previously approved version in AL 7042-E.)

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT MIP AWARDEES]

MICROGRID INCENTIVE PROGRAM GRANT AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

and

_____

Dated:

_____

Draft

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MICROGRID INCENTIVE PROGRAM GRANT AGREEMENT

This Microgrid Incentive Program (MIP) Grant Agreement (this "Agreement") is made by and between Pacific Gas and Electric Company, a California corporation ("PG&E"), with its principal place of business at 300 Lakeside Drive, Oakland, CA 94612 and _____ ("Awardee") is a [Tribal Governmental Authority]/[Local Governmental Authority], with its principal place of business at _____ as of _____("the Execution Date"). Awardee and PG&E are referred to individually as "Party" or collectively as "Parties." PG&E and Awardee hereby agree to the following:

RECITALS

A. Whereas PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission in northern and central California and which owns an extensive electric transmission and distribution system within that area;

B. Whereas the Awardee is a [Local Governmental Authority]/[Tribal Governmental Authority], that intends to develop and operate a community microgrid project under PG&E's Microgrid Incentive Program ("MIP");

C. Whereas, pursuant to the MIP, Awardee is eligible for an Incentive Award for MIP Project Resources and Balance of System [of up to $14M], an Allowance for Interconnection Upgrades and Facilities [of up to $1M], and an Allowance for Microgrid Special Facilities [of up to $3M];

D. Whereas the MIP Project is governed by PG&E's Community Microgrid Enablement Tariff ("CMET"), which was approved by the California Public Utilities Commission ("CPUC"), and existing rules and tariffs;

E. Whereas, under the MIP, the MIP Project will require the following: 1) Interconnection Agreement for MIP Project Resources; 2) Microgrid Islanding Study to determine the MIP Project Balance of System and operational requirements; 3) PG&E Microgrid Special Facilities Agreement; and 4) PG&E Microgrid Operating Agreement ("MOA") to govern the development and operation of the MIP Project; and,

F. Now, therefore, Awardee wishes to enter into this Agreement with PG&E to govern the issuance of, conditions related to, and accounting for the incentives and allowances provided to the MIP Project.

AGREEMENT

This Agreement shall be binding as of the Effective Date.

1 TERM

1.1 Term

The term of this agreement commences on the Effective Date and shall remain in effect until the earliest of (i) award of the final milestone-based Incentive Payment, pursuant to Section 2.3 of this Agreement, (ii) a period not to exceed two (2) years from execution of MOA, or (iii) five (5) years from the Effective Date, unless sooner terminated in accordance with Section 7.4(A) of this Agreement (the "Term").

Notwithstanding the foregoing, the terms and conditions of this Agreement shall thereafter remain in effect until both Parties have fulfilled all obligations arising under this Agreement.

2 INCENTIVE AWARD

2.1 Incentive Award

The maximum total Incentive Award payable by PG&E to Awardee for development of the MIP Project under this Agreement, shall be $_____, as identified in the approved Application Incentive Request ("AIR") and attached as Appendix II to this Agreement. Awardee agrees that MIP Project development costs that exceed this amount shall be Awardee's responsibility.

2.2 Eligible Project Costs

Awardee agrees that Incentive Award may be applied exclusively to Eligible Project Costs in accordance with (i) applicable provisions of the law, (ii) the CPUC MIP Order[1], and (iii) as identified in Appendix III, consistent with the AIR and Incentive Milestones.

2.3 Incentive Milestones

Subject to this Section 2.3, PG&E shall disburse to the Awardee the Incentive Award on the schedule and in the amounts set forth in the Incentive Milestones identified in Appendix III of this Agreement.

A. All disbursements shall be contingent upon the Awardee first satisfying the requisite requirements for the Incentive Milestone.

B. When Awardee has satisfied the requirements for an Incentive Milestone, Awardee shall provide an Incentive Payment Request using the form as provided in Appendix IV identifying Eligible Project Costs with supporting documentation associated with the Milestone activity in form and substance reasonably satisfactory to PG&E. If such documentation is insufficient to confirm Awardee's satisfaction of such requirements,

[1] See CPUC Decision 23-04-034 Adopting Implementation Rules For The Microgrid Incentive Program

PG&E will provide Notice to Awardee describing such insufficiencies, and Awardee will have [thirty (30) days] from receipt of such Notice to remedy such insufficiencies to PG&E's reasonable satisfaction. Once a complete Incentive Payment Request is received by PG&E, PG&E shall issue the payment due according to the amount set forth in Appendix III within 45 days.

C. If Awardee fails to satisfy the requirements for an Incentive Milestone (including a failure to remedy an insufficient Incentive Payment Request, as provided in Section 2.3(B), or anticipates that it will be unable to meet an Incentive Milestone for any reason: PG&E may declare an Awardee's Event of Default as provided in Section 7.1 of this Agreement, and Awardee may be required to develop a cure or be subject to termination of this Agreement pursuant to Section 7.4.

3 ALLOWANCES

3.1 Microgrid Special Facility Allowance

PG&E shall provide a Microgrid Special Facilities Allowance not to exceed three (3) million dollars as a credit against Awardee's responsibility for PG&E's costs to study and enable the safe islanding of a Community Microgrid as identified in the Microgrid Special Facility Agreement attached to the MOA, subject to this Section 3.1. PG&E's Microgrid Special Facilities Allowance costs may include, but are not limited to, a Microgrid Islanding Study (MIS), isolation devices, fault protection devices, utility microgrid controller, and distribution system hardening, as described in Appendix VI. PG&E rules and procedures for special facilities, as may be modified by the CPUC from time to time, shall apply to MIP projects. At the time the Generator Interconnection Agreement is negotiated for this MIP Project, Awardee shall ensure that the up-front "One-time payment" option for the cost of ownership is selected to be eligible for the Microgrid Special Facilities Allowance; if this option is not selected, Awardee will not be eligible for the Microgrid Special Facilities Allowance.

3.2 MIP Interconnection Allowance

PG&E shall provide a MIP Interconnection Allowance not to exceed one (1) million dollars as a credit against Awardee's responsibility for PG&E's costs for Interconnection Study deposits or fees for eligible In Front of the Meter (IFOM) MIP Project Resources, and for required Interconnection Facilities and Distribution Upgrades identified in the Interconnection Study attached with MOA, subject to this Section 3.2. PG&E rules and procedures for interconnection, as may be modified by the CAISO and/or CPUC from time to time, shall apply to MIP projects. At the time the Generator Interconnection Agreement is negotiated for this MIP Project, Awardee shall ensure that the up-front "One-time payment" option for the cost of ownership is selected to be eligible for the Interconnection Allowance; if this option is not selected, Awardee will not be eligible for the Interconnection Allowance.

4 PERFORMANCE REQUIREMENTS

4.1 MIP Project Operating Performance Requirements

Awardee, directly or through its contractors and Community Microgrid Aggregator (CMG Aggregator) it engages to satisfy some or all of the performance obligations on its behalf, shall ensure that the MIP Project is designed and constructed to satisfy the following MIP Project Operating Performance Requirements (collectively, the "Operating Performance Requirements") during commissioning testing to receive Islanding Operation Date (IOD):

A. The MIP Project resources shall be sized and operated to serve a minimum of 24 consecutive hours of energy in Island Mode as determined by a typical load profile within the Microgrid Boundary as identified in the Microgrid Islanding Study attached with MOA.

B. The MIP Project Resources must comply with the emissions standards adopted by the California Air Resources Board (CARB), pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.

C. The MIP Project, when operating in Island Mode, shall not produce aggregate emissions from MIP Project Resources and non-Project Resources greater than the equivalent emissions from grid power.

D. The MIP Project must successfully meet the Operating Performance Requirements as specified in Appendix XII of the MOA.

If the MIP Project fails to satisfy all of the Operating Performance Requirements as set forth in this Section 4.1, then PG&E may declare an Awardee's Event of Default as provided in Section 7.1 of this Agreement, and Awardee may be required to develop a cure or be subject to termination of this Agreement pursuant to Section 7.4 of this Agreement.

4.2 MIP Project Development Contractor Performance Bonding Requirement

For contracts or subcontracts related to the development of the MIP Project, the Awardee shall require a Performance Bond of its contractors and CMG Aggregator for 100 percent of the total dollar amount of each contract, or the sum of all dollar amounts contracts with the same entity for the same MIP Project, if said contract or sum of contracts is equal to or in excess of $100,000.

5 PROJECT REPORTING AND AUDITING

During the Term, the Awardee shall furnish to PG&E a MIP Project Progress Report using the form as provided in Appendix VII with supporting documentation in form and substance reasonably satisfactory to PG&E. Progress Reports shall indicate whether Awardee is on target to meet Incentive Milestones, including if Awardee anticipates that it will be unable to meet an Incentive Milestone for any reason. Awardee shall promptly give such other relevant information as may be required by PG&E and/or the CPUC.

5.1 Project Reporting Frequency

A. Within fifteen (15) days after the close of each quarter from the first quarter following the Execution Date, until the Island Operation Date, provide to PG&E a quarterly Progress Report and agree to regularly scheduled meetings between representatives of PG&E and Awardee to review such quarterly reports and discuss Awardee's development progress.

B. Within fifteen (15) days after the close of each month following the execution of the MOA until the Island Operation Date, provide to PG&E a monthly Progress Report and agree to regularly scheduled meetings between representatives of PG&E and Awardee to review such monthly reports and discuss Awardee's development progress.

5.2 CPUC Regulatory Reporting

The Awardee shall comply with all CPUC regulatory reporting requirements (without limitation thereto) by providing PG&E with all required data in a format suitable for submittal to the CPUC as may be reasonably requested by PG&E from time to time. The regulatory reports shall contain all information and be in a format as may be required and/or modified by the CPUC from time to time.

5.3 Audit

PG&E has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the Awardee to the extent reasonably necessary to verify the accuracy of any invoice, Project Report, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and in the associated Incentive Payment or future Incentive Payment, including return of any incentive overpayments, shall be made as determined by PG&E. The provisions of this Section 5.3 will survive termination of this Agreement.

5.4 Final Project Report

The Awardee shall deliver a final Project Report to PG&E at the conclusion of the MIP Project as directed by PG&E no later than 6 (six) months after IOD. The final Project Report shall, at a minimum, provide a discussion addressing each of the following sub-topic:

a. MIP Project Overview (including total project cost, duration, and any variances);

b. Summary of MIP Project Accomplishments;

c. Description of Challenges or Other Issues;

d. MIP Program Improvement Recommendations; and

e. Other items requested by PG&E.

6 LIABILITY, INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE

6.1 Limitation of Remedies, Liability and Damages

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF

DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION (OTHER THAN IN SECTION 6.2) OR OTHERWISE EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6.2, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

6.2 Indemnity

A. Awardee shall indemnify, protect, defend, and hold harmless PG&E from liability incurred to third parties as a result of carrying out the provisions of this Agreement as applicable to the MIP Project. Liability under this provision is exempt from the general limitations on liability found in Section 6.1.

B. Awardee shall at all times indemnify, defend, and hold PG&E harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Awardee's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by PG&E.

C. If PG&E is entitled to indemnification under this Section 6.2 as a result of a claim by a third party, and Awardee fails, after notice and reasonable opportunity to proceed under

this Section 6.2, to assume the defense of such claim, PG&E may at the expense of the Awardee contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

D. If Awardee is obligated to indemnify and hold PG&E harmless under this Section 6.2, the amount owing to PG&E shall be the amount of PG&E's actual loss, net of any insurance or other recovery.

Promptly after receipt by PG&E of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 6 may apply; PG&E shall notify the Awardee of such fact. Any failure of or delay in such notification shall not affect the Awardee's indemnification obligation unless such failure or delay is materially prejudicial to the Awardee.

7 EVENTS OF DEFAULT AND TERMINATION

7.1 Events of Default

A. Awardee: The Awardee will be deemed a "Defaulting Party" upon the occurrence of any of the following (each an "Event of Default"):

(a) Any false statement, representation contained in this Agreement, in the Application Incentive Request, or in any other document submitted to PG&E under this Agreement is found by PG&E to be false or misleading.

(b) The Awardee fails to satisfy the requirements for an Incentive Milestone as set forth in Section 2.3(C) of this Agreement.

(c) Withdrawal of the request for a Microgrid Islanding Study or an interconnection request for the MIP Project.

(d) Lack of execution of an MOA for the MIP Project within ninety (90) days of execution of the latter of any application Interconnection or Special Facilities Agreements as required by the CMET.

(e) Termination of the MOA for the MIP Project, or of any other agreement required for the development and operation of the MIP Project, including, but not limited to the MIP Project Resource Interconnection Agreement.

(f) Failure of the MIP Project Resource to achieve commercial operations pursuant to its Interconnection Agreement.

(g) Failure of the MIP Project to satisfy all the Operating Performance Requirements as set forth in Section 4.1 of this Agreement.

(h) Non-conformance of the MIP Project with the eligibility requirements set forth in the CMET.

B. Either Party: Either Party will be deemed a "Defaulting Party" if a Party fails to perform any of its material obligations or covenants under this Agreement not otherwise addressed in this Section 7.1 when and as required (each an "Event of Default").

7.2 Default Notice & Remedy

A. Upon the occurrence of an Event of Default, the non-defaulting Party shall give written Notice of such default to the Defaulting Party. For Events of Default the Defaulting Party shall otherwise have sixty (60) Calendar Days from receipt of the Default Notice within which to cure such Event of Default; provided however, if such Event of Default is not capable of cure within sixty (60) Calendar Days, the Defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Event of Default Notice; and, if cured within such time, the Default specified in such Notice shall cease to exist.

B. If an Event of Default is not cured as provided in this Section 7.2 and is ongoing, the non-Defaulting Party shall have the right to terminate this Agreement by written notice at any time and to be relieved of any further obligation hereunder. Further, whether or not the non-Defaulting Party terminates this Agreement, the non-Defaulting Party shall have the right to recover from the Defaulting Party all amounts due hereunder, plus all other damages and remedies to which the non-Defaulting Party is entitled under this Agreement at law or in equity. The provisions of this Section 7.2.(B) will survive termination of this Agreement.

C. In the event of early termination of this Agreement prior to completion of the MIP Project, any amounts associated with MIP Incentive Award funds that are recovered by the Awardee in connection with the exercise of Awardee's rights under contracts and associated Performance Bonds with its contractors and CMG Aggregator, less any costs or expenses incurred by Awardee in connection with such recovery, shall be returned by Awardee to PG&E, and shall be PG&E's sole remedy for such early termination pursuant to Section 7.4(A), and if such early termination is pursuant to Section 7.2(B), shall be PG&E's sole remedy for such early termination with regard to such funds, except in cases of bad faith, willful misconduct, or fraud. Nothing in this paragraph shall limit PG&E's rights pursuant to Section 5.3, including but not limited to PG&E's right to audit and to seek any return of incentive overpayments that were the result of inaccuracies in any invoice submitted by Awardee.

7.3 Waiver

A. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

B. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

7.4 Termination

A. If the Awardee or CMG Aggregator determines in good faith that the MIP Project has become infeasible and elects not to continue development, Awardee may terminate this Agreement upon notice to PG&E, and such termination will be effective as of the date designated in writing by the Awardee, at its sole discretion. In the event of a termination pursuant to this Section 7.4(A), PG&E's sole remedy shall be the return of any recovered

funds pursuant to Section 7.2(C).

B. In the event of a termination of this Grant Agreement pursuant to Section 7.1, such termination will be effective as of the date designated in writing by the non-Defaulting Party, at its sole discretion, provided that any termination pursuant to an Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties that the Agreement or the MIP Project be terminated will be effective on a date consistent with said Order.

8 GOVERNMENTAL CHANGES

8.1 Cooperation

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Governmental Charges

Awardee shall pay or cause to be paid all taxes or fees imposed by any Governmental Authority (Governmental Charges) on or with respect to the MIP Project, by reason of the execution, delivery, performance or enforcement of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Law.

9 COVENANTS

9.1 General Covenants

Each Party covenants throughout the Term of this Agreement as follows:

A. It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and qualified to conduct business in the State of California and in all jurisdictions where ownership of its properties or its operations require such qualifications, except where the failure to do so would not have a material adverse effect on its financial condition, its ability to own its properties or transact its business, or to carry out the transactions contemplated hereby;

B. It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

C. It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it;

D. It shall follow all rules, orders and tariffs approved or established by the CPUC and the CAISO with respect to the MIP Project development and operation, provided that if Awardee is not the CMG Aggregator for the MIP Project, Awardee will ensure that CMG Aggregator shall follow all such rules, orders and tariffs.

9.2 Covenants of Awardee

Awardee covenants to and for the benefit of PG&E throughout the Term:

A. It shall apply the MIP Incentive Award funds solely towards Eligible Project Costs, in accordance with the requirements of the Incentive Milestones, and

B. It shall comply, and shall ensure that CMG Aggregator complies, with all applicable Laws, Applicable Rules and Standards, and to the Utility Distribution Company requirements applicable to the MIP Project.

10 ASSIGNMENT

10.1 General Assignment

Neither Party will assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent will not be unreasonably conditioned, delayed, or withheld so long as (a) the assignee assumes the transferring Party's performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder, (d) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request, and (e) in the case of Awardee as the transferring Party with a transfer to an assignee that will have operational control of the MIP Project, Awardee delivers to PG&E, upon PG&E's request, documentation to demonstrate the assignee is capable of satisfying and complying with all provisions of this Agreement.

10.2 Assignment in Connection with a Change in Control

Any direct change of control of Awardee or Awardee's Parent (whether voluntary or by operation of Law) is deemed an assignment and shall require the prior written consent of PG&E which consent shall not be unreasonably conditioned, delayed or withheld, provided that the requirements identified in Section 10.1(a) through (e) are met. Awardee shall use commercially reasonable efforts to provide PG&E (a) Notice at least ten (10) days prior to the effectiveness of any indirect change in control, and shall in any event provide such Notice no later than ten (10) Business Days after the indirect change in control, and (b) such other information as PG&E may reasonably request in connection with such change in control.

10.3 Unauthorized Assignment

Any attempted assignment that violates this Article 10 is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Awardee. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

11 DISPUTE RESOLUTION

The Parties agree to attempt to resolve all disputes associated with this Agreement according to the provisions of this Article 11.

11.1 Notification and Negotiation

A. In the event of a dispute, the dispute shall be documented in a written Notice by the aggrieved Party to the other Party containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express Notice by the aggrieved Party that it is invoking the procedures under this Article 11. The Notice shall be sent to the Party's email address and physical address set forth under Notices in Article 13. A copy of the Notice shall also be sent to the Energy Division, Office of the Director, at the CPUC. The receiving Party shall acknowledge the notice within five (5) Calendar Days of its receipt.

B. Upon the aggrieved Party notifying the other Party of the dispute, each Party must designate a representative with the authority to make decisions for its respective Party to review the dispute within seven (7) Calendar Days.

C. Upon receipt of Notice, receiving Party shall provide the aggrieved Party with all relevant regulatory and/or technical details and analysis regarding the MIP Project under dispute within twenty-one (21) Calendar Days.

D. Within forty-five (45) Calendar Days of the date of the Notice, the Parties' Authorized Representatives will be required to meet and confer to try to resolve the dispute. Parties are expected to operate in good faith and use best efforts to resolve the dispute.

E. If a resolution is not reached in forty-five (45) Calendar Days from the date of the notice, either 1) a Party may request to continue negotiations for an additional forty-five (45) Calendar Days or 2) the Parties may by mutual agreement make a written request for mediation to the Alternative Dispute Resolution (ADR) Coordinator in the CPUC's Administrative Law Judge (ALJ) Division. The request may be submitted by electronic mail to adr_program@cpuc.ca.gov. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

F. At any time, either Party may file a formal complaint before the CPUC pursuant to California PUC section 1702 and Article 4 of the CPUC's Rules of Practice and Procedure. Nothing in this section shall be construed to limit the rights of any Party to exercise rights and remedies under California law.

11.2 Performance During Dispute

A. Pending resolution of any dispute under this Article 11, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement unless this Agreement has been terminated.

B. If a dispute for which a Party has provided a Notice pursuant to this Article 11 remains unresolved to the satisfaction of either Party more than sixty (60) days following receipt of the Notice, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

12 GENERAL PROVISIONS

12.1 General

All attached Appendices are hereby incorporated by reference and are made part of this Agreement. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). The headings used herein are for convenience and reference purposes only.

12.2 Severability

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

12.3 Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by e-mail will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by e-mail will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

12.4 Interpretation

The following rules of interpretation apply:

A. The term “including” means “including without limitation”; the terms “year” and “calendar year” mean the period of months from January 1 through and including December 31; the term “month” means a calendar month unless otherwise indicated, and a “day” means a 24-hour period beginning at 12:00:01 a.m. and ending at 12:00:00 midnight; provided that a “day” may be 23 or 25 hours on those days on which daylight-saving time begins or ends, respectively.

B. Unless otherwise specified herein, where the consent of a Party is required, such consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

C. Unless otherwise specified herein, all references herein to any Order, tariff, agreement, or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding Order, tariff, agreement or document as

then exist at the applicable time to which such construction applies unless otherwise specified.

D. In the event of any conflict between the terms and conditions of this Agreement and any of the following agreements, the terms and conditions of the following agreements will control: the MOA, any MIP Project Interconnection Agreements under PG&E's Electric Rule 21 or PG&E's Wholesale Distribution Tariff, PG&E's Electric Rule 2, and any Microgrid Special Facilities Agreements.

E. Capitalized terms used in this Agreement, including the appendices hereto, have the meaning set forth in Appendix I-B, unless otherwise specified.

F. References in the singular include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons include partnerships, firms, companies, corporations, limited liability companies, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

G. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Words referring to market rules, activities and practice have the meaning generally ascribed to such words in California.

H. References to a particular section, subsection, paragraph, subparagraph, appendix, or attachment will, unless specified otherwise, be a reference to that section, subsection, paragraph, subparagraph, appendix, or attachment in or to this Agreement.

I. Any reference in this Agreement to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity succeeding to its functions.

J. All references to dollars or "$" are to U.S. dollars.

K. When an action is required to be completed on a Business Day, such action must be completed prior to 5:00 p.m. on such day, Pacific prevailing time, and actions occurring after 5:00 p.m. (such as the delivery of a Notice) will be deemed to have occurred on the following Business Day.

12.5 Recordings

No conversation between the Parties may be recorded by a Party without the express consent of the other Party.

12.6 Authorized Representatives

Each Party shall provide Notice to the other Party of the persons authorized to make or receive other Notices on behalf of such Party or to represent a Party ("Authorized Representative") and in connection with such Notices and specify the scope of their individual authority and responsibilities. Either Party may change its designation of such

persons and the scope of their individual authorities and responsibilities from time to time in its sole discretion by providing Notice.

12.7 No Dedication

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. No undertaking by one Party to the other Party under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of PG&E as an independent public utility corporation or Awardee as an independent individual or entity.

12.8 Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

12.9 Taxes

A. The Parties agree to follow all applicable tax laws and regulations.

B. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PG&E's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

12.10 Regulatory Oversight

The Agreement shall be subject to changes or modifications by the California Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

[Note: Section 12.11 applicable solely if Awardee is a sovereign Indian tribe]

12.11 Limited Waiver of Sovereign Immunity

Awardee agrees to provide a limited waiver of sovereign immunity as set forth in Appendix VIII. In the event of a conflict between Appendix VIII and any other waivers set forth in this Agreement, Appendix VIII shall control.

13 NOTICES

13.1 Notices

Whenever this Agreement requires or permits delivery of a Notice (or requires a Party to "Notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. Notices may be sent by overnight mail or courier or e-mail.

Invoices may be sent by e-mail. A Notice sent by e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a Notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Notices shall be addressed as follows:

PG&E:
(Name)
(Title)
(Address)
(email)
(phone)

Awardee:
(Name)
(Title)
(Address)
(email)
(phone)

14 SIGNATURE

Agreement Execution
In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its Authorized Representative as of the dates provided below:

[The Tribal or Local Governmental Authority], **a** _____	**PACIFIC GAS AND ELECTRIC COMPANY, a California corporation**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX I-A – ACRONYMS

ADR – Alternative Dispute Resolution

AIR – Application Incentive Request

ALJ – Administrative Law Judge

CAISO - California Independent System Operator

CARB – California Air Resource Board

CMET - Community Microgrid Enablement Tariff

CMG - Community Microgrid

CPUC - California Public Utilities Commission

IFOM – In Front of the Meter

IOD - Islanding Operation Date

MIP – Microgrid Incentive Program

MIS – Microgrid Islanding Study

MOA - Microgrid Operating Agreement

PG&E - Pacific Gas and Electric Company

APPENDIX I-B – GENERAL DEFINITIONS

1. **Affiliate**. Affiliate of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative or agent or subsidiary of the Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, through one or more intermediaries, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.
2. **Applicable Rules and Standards**. Electric Rule 2, PG&E's Wholesale Distribution Tariff, CMET and Electric Rule 21.
3. **Application Incentive Request (AIR)**. The amount of funding, excluding the MIP Application Development Grant, requested by the MIP Applicant.
4. **Authorized Representative**. As defined in Section 12.6.
5. **Awardee**. The entity that is counterparty to this Grant Agreement.
6. **Balance of System.** All of the MIP Project tangible and non-tangible assets, facilities, and equipment owned or controlled by the CMG Aggregator, other than the MIP Project Resources and Non-Project Resources, necessary to meet the requirements of the MIP Project as identified in the Microgrid Islanding Study and listed in Appendix V - MIP Project Resources and Balance of System Facilities of MOA.
7. **Blue Sky Mode**. The normal mode of operation when the Community Microgrid is interconnected to and operating in parallel with the Distribution System, is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
8. **Business Day**. Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving
9. **CAISO**. The California Independent System Operator Corporation or any successor entity performing similar functions.
10. **Calendar Day**. Any day, including Saturday, Sunday or a Federal and State Holiday
11. **California Public Utility Commission or Commission or CPUC**. The Public Utilities Commission of the State of California
12. **Community Microgrid (CMG)**. As defined in PG&E's Community Microgrid Enablement Tariff.
13. **Community Microgrid Aggregator (CMG Aggregator)**. The entity that is counterparty

to the MOA. The CMG Aggregator coordinates control of MIP Project Resources consistent with relevant provisions of PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff Generator Interconnection Procedures, and PG&E's Electric Rule 21 including frequency and voltage and other power quality requirements within PG&E established control parameters to enable the MIP Project to operate in Island Mode.

14. **Contractor**. The engineering, procurement, and construction contractor and its subcontractors, as well as Awardee or Awardee's Affiliates and their subcontractors if any such entities are developing, constructing, operating or maintaining the MIP Project during the Term, and any entity or person under contract with Awardee or Awardee's Affiliates for the purpose of developing, constructing, operating or maintaining the MIP Project during the Term.
15. **Defaulting Party**. The Party that is subject to an Event of Default
16. **Distribution Provider**. PG&E, which owns, controls, and operates facilities used to provide Distribution Service to the customers within the Microgrid Boundary under this MIP.
17. **Distribution System**. PG&E's distribution system broadly consists of the stepdown transformation with substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors including service drops and meters.
18. **Distribution Upgrades**. The additions, modifications, and upgrades to PG&E's Distribution System necessary to facilitate construction and microgrid operation of the MIP Project. Distribution Upgrades do not include the CMG Aggregator's Project Balance of System.
19. **Effective Date**. The date upon which both Parties have executed this Agreement.
20. **Eligible Project Cost**. All necessary, reasonable, and directly attributable costs incurred in the execution and completion of the MIP Project, as approved by PG&E in Appendix VI. Any costs incurred outside the parameters set forth in this Agreement or deemed non-essential, extravagant, or unrelated to the Project's primary objectives shall be excluded from the definition of "Eligible Project Cost". The determination of eligibility for any cost shall be at the sole discretion of PG&E, and such determination shall be final here.
21. **Event of Default**. The failure of a Defaulting Party to cure a default under this Agreement.
22. **Final Project Report**. Is a document submitted by the Awardee to PG&E within six months after the Initial Operation Date (IOD) providing an overview of the project, summarizes accomplishments, recommends improvements, describes challenges, and includes any additional information requested by PG&E.
23. **Governmental Authorities**. Any federal, State, local or municipal government,

governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory, or administrative body, having jurisdiction as to the matter in question.

24. **Grid Forming Project Resource(s)**. Is a MIP Project Resource that, among other features, has the ability to (i) black start the MIP Project when in Island Mode and deenergized, and (ii) provide voltage and frequency stability and control within a range acceptable to PG&E during Island Mode operation.

25. **Incentive Award**. An Incentive Award is the amount of MIP incentive funding allocated to a MIP project by PG&E at its sole discretion. The Incentive Award amount is based on an MIP Applicant's AIR, subject to availability of MIP funds and MIP program requirements per the MIP Handbook.

26. **Incentive Milestone**. The Incentive Award shall be paid to the Awardee through a series of Incentive Payments associated with a successive set of project milestones based on key development activities during the Term. The milestones must be agreed upon completion dates required for the development and operation of the MIP Project and subsequent payment of incentives as set forth in Appendix III of this Agreement.

27. **Incentive Payment**. Incentive Payment refers to the portion of the MIP Incentive Award, allocated to a specific MIP project by PG&E.

28. **Interconnection Agreement**. The agreement and associated documents or any successor agreement and associated documentation governing the terms and conditions of the interconnection of the MIP Project Resource(s) with PG&E's grid, including any description of the plan for interconnecting the MIP Project Resource(s) to the grid.

29. **Interconnection Allowance**. An amount funded by utility ratepayers in addition to the MIP Incentive Award, the MIP Application Development Grant, and the Microgrid Special Facilities Allowance that covers all or a portion of the costs of Interconnection Studies, Interconnection Facility Upgrades, and Distribution Upgrades identified per the applicable interconnection tariff for eligible Project Resources.

30. **Interconnection Facilities**. The electrical wires, switches and related equipment that are required in addition to the facilities required to provide electric Distribution Service to a Customer to allow Interconnection. Interconnection Facilities may be located on either side of the Point of Common Coupling as appropriate to their purpose and design. Interconnection Facilities may be integral to a Generating Facility or provided separately. Interconnection Facilities may be owned by either Producer or PG&E.

31. **Interconnection Study**. A study to establish the requirements for interconnection of a Generating Facility to PG&E's Distribution System or Transmission System, pursuant to WDAT or Electric Rule 21, as applicable.

32. **Island Mode**. Operation of the Microgrid by the Distribution Provider when a Microgrid that normally operates in "Blue Sky" Mode (parallel mode) is disconnected from the

Distribution System at the Microgrid Islanding Point. The Distribution Provider will operate the Microgrid in Island Mode by (i) direct dispatch of MIP Project Resources within the Microgrid Boundary, and/or (ii) by authorizing MIP Project Resources to operate within parameters specified by the Distribution Provider for voltage, frequency, and power quality.

33. **Islanding Operation Date (IOD)**. Means the date stated in the "CMET Project Islanding Operation Date Confirmation Letter" attached as Appendix XI-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.

34. **Law.** Any statute, law, treaty, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which become effective during the Term; or any binding interpretation of the foregoing.

35. **Local Governmental Authority.** A California city, county, or other joint powers authority, such as a Community Choice Aggregator.

36. **Microgrid.** An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined microgrid boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel (Blue Sky Mode) with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.

37. **Microgrid Incentive Program (MIP)**. A Program to enable community-proposed microgrids that provide enhanced resilience for vulnerable customer groups and/or critical facilities pursuant to California Public Utilities Commission (CPUC) Decision (D.) 21-01-018 in Track 2.

38. **Microgrid Islanding Study (MIS)**. An engineering study conducted by PG&E or its agents of the microgrid operation in an Island Mode and operating mode transitions. The study shall determine the required modifications to the PG&E's Distribution Facilities and associated cost required to support Island Mode operation and microgrid transitions while maintaining voltage, frequency, and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

39. **Microgrid Operating Agreement (MOA).** An agreement between the PG&E and the MIP Community Microgrid Aggregator that governs MIP Project development and testing, and commercial operations to ensure safety and service quality in compliance with applicable PG&E rules.

40. **Microgrid Special Facilities**. Modifications to the PG&E's Distribution Facilities required to operationalize the Microgrid Boundary and Island Mode such that the Microgrid is capable of maintaining voltage, frequency, and power quality within the PG&E's control parameters in accordance with Electric Rule 2.

41. **Microgrid Special Facilities Agreement or "Microgrid SFA."** The agreement that describes the upgrades on the Distribution System, and at the MIP Project Site to be installed under the terms and conditions regarding Microgrid Special Facilities (or added facilities) on file with the CPUC, pursuant to PG&E's Electric Rule 2, and incorporated in Appendix IV-B of MOA.

42. **Microgrid Special Facilities Allowance**. An amount funded by utility ratepayers in addition to the MIP Incentive Award, the MIP Application Development Grant, and the Interconnection Allowance to cover all or a portion of the costs of the Microgrid Special Facilities cost and the MIS.

43. **MIP Application Development Grant**. A one-time, optional, limited, MIP-funded grant to MIP Applicants who submit an eligible MIP application and request such reimbursement.

44. **MIP Project**. Tangible and non-tangible assets, facilities, and equipment needed to create and operate a Community Microgrid, including the MIP Project Resources, Microgrid Special Facilities, MIP Project Balance of System, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to the CMET.

45. **MIP Project Resource(s)**. Electric generation, storage technology, and/or load management technology that the CMG Aggregator has control over consistent with relevant provisions in the MOA to enable the MIP Project to safely and reliably operate in Island Mode. The CMG Aggregator must have at least one Grid-Forming Project Resource that has a resource controller and has grid-forming capability sufficient to allow acceptable frequency and voltage during Island Mode operation. Project Resources must comply with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation, and must be interconnected to the Distribution System within the Microgrid Boundary (either directly as front-of-the-meter Project Resources or indirectly as behind-the-meter Project Resources) pursuant to the Wholesale Distribution Tariff or PG&E's Electric Rule 21.

46. **Notice**. Unless otherwise specified in this Agreement, means a written communication which is delivered by overnight mail or courier service or electronic messaging (email), and in the manner required by Section 13, as applicable to a given communication.

47. **Operating Performance Requirements or OPA**. As defined in Section 4.1 of this

Agreement.

48. **Operating Term Performance Assurance**. As defined in the MOA.

49. **Performance Bond**. A bond posted by a contractor in connection with a contract with Awardee to secure fulfillment of all the contractor's obligations under such contract with Awardee.

50. **Permit**. Any waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, license, or similar order of or from, or filing or registration with, or notice to, any Governmental Authority that authorizes, approves, limits, or imposes conditions upon a specified activity.

51. **State.** The State of California

52. **Term.** As defined in Section 1.1 of the Agreement

53. **Tribal Governmental Authority.** The governing authority, having jurisdiction as to the matter in question, for a group identified as a "California Native American tribe", meaning a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. See Cal. Pub. Res. Code § 21073. California Native American tribes include both federally recognized tribes and tribes that are not recognized by the federal government.

APPENDIX II – APPLICATION INCENTIVE REQUEST (AIR)

The Awardee's AIR with proposed Project Development Plan including proposed scheduled and estimated costs will be appended here.

APPENDIX III – INCENTIVE MILESTONES

An Incentive Milestone Payment schedule as illustrated below shall be completed for each MIP Project. There are two methods available for determining the timing and amounts for the Incentive Milestone Payments. The Awardee may elect either of the two methods, at the Awardee's discretion.

Alternative A: The first method is to recover the total AIR awarded in equal increments of ten percent. As eligible project costs are accrued, the Awardee shall be able to submit them for reimbursement once the total cost submitted for reimbursement is equal to ten percent of AIR. Estimated completion dates for each ten percent tranche will be included in the schedule form. If the project is completed without spending the full award amount, the final reimbursement payment will be made upon PG&E's receipt of confirmation of the commencement of operations of the microgrid in the form of MOA Appendix XI-B – "CMET Project Islanding Operation Date Confirmation Letter". Proof of costs for reimbursement will still apply to this payment as it does to the others.

Alternative B: The second method would involve creating a customized Incentive Milestone Payment schedule based upon the estimated project milestones and costs in the Awardee's Project Development Plan and the total amount of incentive awarded. In this case, the Incentive Milestone schedule will describe each such milestone, the proposed completion date, total estimated cost to complete, the estimated Incentive Request anticipated for each Milestone, and the percentage each milestone payment is in relation to the total MIP Award. These milestones shall be developed jointly between the Awardee and PG&E.

In the event that Awardee selects Alternative B but Awardee and PG&E are not able to finalize the milestones [within [time period] of execution of this Agreement, then the AIR will be reimbursed pursuant to Alternative A. The final Incentive Milestone Payment Schedule for this Agreement shall be inserted in this Appendix and replace this language and the following illustrations.

Illustrative Example of an Incentive Milestone Payment Schedule – Alternative A

MIP Incentive Payment Milestones						
Milestone	**Description**	**Proposed Completion Date**	**Estimated Cost to Complete**	**Estimated MIP Incentive Request**	**% of MIP Award**	**Comments**
1	Costs Incurred Equal 10% of Total AIR				10	
2	Costs Incurred Equal 20% of Total AIR				10	
3	Costs Incurred Equal 30% of Total AIR				10	
4	Costs Incurred Equal 40% of Total AIR				10	
5	Costs Incurred Equal 50% of Total AIR				10	
6	Costs Incurred Equal 60% of Total AIR				10	
7	Costs Incurred Equal 70% of Total AIR				10	
8	Costs Incurred Equal 80% of Total AIR				10	
9	Costs Incurred Equal 90% of Total AIR				10	
10	Costs Incurred Equal 100% of Total AIR or MOA Appendix XI-B – "CMET Project Islanding Operation Date Confirmation Letter" is received and approved by PG&E				10	
		Totals:	(Total PDP Cost)	[Amount Awarded]	**100%**	

Illustrative Example of an Incentive Milestone Payment Schedule – Alternative B

MIP Incentive Payment Milestones						
Milestone*	**Description**	**Proposed Completion Date***	**Estimated Cost to Complete***	**Estimated MIP Incentive Request****	**% of MIP Award**	**Comments**
1	Project Engineering Design					
2	Project Site Acquisition & Permitting					
3	Project Site Preparation					
4	Project Resource/s Delivered to Site					
5	Project Resources Installed w/PTO Received					
6	Microgrid Balance of System Installed					
7	Islanding Operation Date Confirmation Letter issued					
		Totals:	(Total PDP Cost)	[Amount Awarded]	**100%**	

*Milestones based on MIP Project Development Plan tasks, schedule and estimated costs to complete
** Estimated MIP incentive payment request at each milestone based on MIP Project Development Plan

APPENDIX IV – INCENTIVE PAYMENT REQUEST COVER SHEET

Pursuant to Section 2.3 of the Grant Agreement dated as of (insert date) between the Awardee and the PG&E, Awardee hereby submits an Incentive Payment Request as follows:

Incentive Milestone Number (per Appendix III): _____

Incentive Payment Request: $_____

Total Incentive Requests to Date: $_____

MIP Incentive Award (per Section 2.1): $_____

Incentive Award Amount Remaining: $_____

Awardee certifies that:

A. To the best of their knowledge and belief, all payments requested are correct, accurate, and complete, that payment therefore has not been received and that all amounts requested are for the appropriate purposes and in accordance with this Agreement.

B. After giving effect to the disbursement requested pursuant to this Incentive Payment Request, the total Incentive Payments disbursed will not exceed the maximum amount set forth in Section 2.1.

C. The representations and warranties made in the Agreement are true and correct in all material respects as if made on the date hereof.

D. No Event of Default has occurred and is continuing under the Agreement [or the MOA]

E. The undersigned is authorized to execute this Incentive Payment Request on behalf of Awardee.

_____
Signature of Authorized Requestor

_____
Title

_____
Date

APPENDIX V – SCHEDULE 1 TO INCENTIVE PAYMENT REQUEST COVER SHEET

The following sample schedule shall be used to support the Incentive Payment Request. This sample schedule should be used to itemize the Eligible Project Costs associated with the Milestone tasks associated with an Incentive Payment Request. Awardee shall verify that costs are eligible for incentive payment and the status of the activity. If the activity and related cost element is not complete, the estimated cost to complete shall be provided.

Task *	Cost Element & Description**	Incentive Amount Requested	MIP Eligible Cost (Y/N)	Activity Complete (Y/N)	Estimated Cost to Complete***	Comments
	Total:					

* MIP Project Development Plan tasks identified in the Project Development Plan at Work Breakdown Structure (WBS) Level 2.
** Identify the specific cost element associated with a task for which an incentive payment is requested.
*** Only needs to be filled in if task is not fully completed at the Milestone

APPENDIX VI – ELIGIBLE PROJECT COSTS

Eligible Project Costs include the following:

- The costs for purchasing IFOM MIP Project Resources and their grid-forming and grid-following inverters. To be eligible, none of these resources can be part of an Interconnection Agreement with PG&E executed before the close of the Application Window used for your Microgrid Application.
- The costs for purchasing IFOM MIP Project Resource's controller, protection, and communications equipment.
- Permitting and licensing expenses incurred for IFOM MIP Project Resource(s) and Balance of System prior to a microgrid's Islanding Operation Date.
- Expenses related to reconfiguring behind-the-meter (BTM) electric service equipment so specific customer or facility loads can be isolated and served when the microgrid is in Island Mode.
- Project management costs, including costs related to engineering, studies, system integration, and construction activities for IFOM MIP Project Resource and Balance of System. Includes site preparation, civil, electrical, and mechanical work.
- Expenses associated with purchasing or leasing property for the IFOM MIP Project Resources and Balance of Systems Leasing property expenses should reflect the present value of the lease for the property needed for the IFOM MIP Project Resources and Balance of System.
- Costs related to community outreach activities conducted for the microgrid.
- Costs associated with developing a microgrid proposal and MIP Application, to the extent not covered in the optional MIP Application Development Grant.
- Related legal costs.
- Taxes to the extent applicable on any of the above.
- Costs related to providing a Letter of Credit as Development Performance Assurance, provided that such costs do not exceed five percent (5%) of the total amount of the AIR.

Costs that are not eligible for MIP incentive award include but may not be limited to:

- Costs related to behind-the-meter resources associated with a MIP Project, including interconnection studies and distribution upgrades as may be applicable.
- Expenses associated with the operation and maintenance of the MIP Project.
- Other ineligible costs as identified in the CPUC's Decision 23-04-034, as may from time to time be modified by the CPUC.

APPENDIX VII – MIP PROJECT REPORTING FORM

MIP Project Reports shall include a summary description of project development status, including a discussion of any actual and forecast schedule and cost variances, and corrective actions being undertaken to address variances. MIP Project Reports shall also include supporting project status detail in a similar form to the sample table below.

Project Tasks		Project Schedule							Project Costs ($K)			
		Planned		Forecast		Actual		Schedule Variance (days)				
Task*	Description	Start Date	Completion Date	Start Date	Completion Date	Start Date	Completion Date		Planned	Actual to Date	Forecast to Completion	Cost Variance
1												
2												
3												
4												
5												
6												
7												
8												
9												
							Totals:					

APPENDIX VIII – LIMITED WAIVER OF SOVEREIGN IMMUNITY

(a) The Parties acknowledge that Awardee is a sovereign Tribe, and that, as such, Awardee, its officers, agents and assigns possess sovereign immunity from unconsented suits and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of Awardee's sovereign immunity, except as expressly provided in this Appendix VIII. PG&E and Awardee agree that this Agreement is fully enforceable between the Parties. Therefore, Awardee hereby provides this limited express waiver of Awardee's sovereign immunity, for the limited purpose of enforcing this Agreement (including each and all of the terms and conditions of this Agreement), and in accordance with, and as limited by, the express terms of this Agreement. Awardee provides this limited waiver of its sovereign immunity solely for disputes arising between the parties under this Agreement pursuant to Article 11. This limited waiver shall not apply to any other party or to disputes that do not arise out of this Agreement. PG&E hereby agrees that this limited waiver of sovereign immunity provided by Awardee shall be strictly and narrowly construed in favor of Awardee.

(b) With respect to all actions, suits, claims, proceedings or counterclaims (each, a "Claim"), Awardee and each of its officers, agents and assigns hereby expressly waives its sovereign immunity, and all defenses based thereon, from any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement, in each case of any nature, whether such Claim is brought in or arises under law, equity, contract, tort or statute (inclusive of Claims for equitable or provisional relief and to compel arbitration, and whether through service of notice, attachment prior to judgment, exercise of contempt powers, or otherwise) (an "Action"), for the limited purpose of resolving Claims and the judicial enforcement thereof, to resolve any controversy arising from this Agreement, to enforce or interpret the express terms and conditions of this Agreement, or otherwise related to this Agreement, as provided for in this Agreement.

(c) Awardee expressly waives sovereign immunity, solely in connection with any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement and all defenses based thereon as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, any form of relief, or order related thereto. Awardee further consents to the jurisdiction of the arbitrators and/or specified courts described in Article 11 of this Agreement, including each Party's consent to be bound by a lawful order or judgment, to the extent provided for herein.

(d) With respect to any Action between PG&E and Awardee, each of the Parties expressly consents and agrees to the dispute resolution provisions set forth in Article 11 of this Agreement, and Awardee hereby agrees that the limited waivers of sovereign immunity described in this Appendix VIII apply and waive Awardee's sovereign immunity (to the extent described in this Appendix VIII) in connection with any arbitration under Article 11 of this Agreement and any judgment or award described in Article 11 of this Agreement. Awardee specifically expressly waives sovereign immunity for the limited jurisdictional purposes set forth in this Appendix VIII and in Article 11 of this Agreement. The Parties specifically agree that the arbitrators and courts set forth in Article 11 of this Agreement shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement, which shall be binding and enforceable on each Party. Awardee shall not contest jurisdiction or venue to the extent selected in accordance with Article 11 of this Agreement. Awardee hereby waives any argument that a tribal forum has jurisdiction over the limited waiver of sovereign immunity and this Agreement, that it shall not plead or invoke the doctrine of exhaustion of tribal or other administrative or tribal judicial remedies, defenses of tribal immunity or that Awardee is an indispensable party, and Awardee hereby waives any and all such requirements.

(e) Awardee hereby consents to injunctive relief, where the standards for such relief are proven, in the forums enumerated in Section 12.8 of this Agreement should Awardee ever attempt to revoke, limit or restrict the limited waiver of sovereign immunity, where the legal standards for such relief are satisfied.

(f) In any Action as to which Awardee has waived its sovereign immunity as provided herein, Awardee consents and agrees that process against Awardee shall be effective if served by sending a copy of the process in accordance with the notice provisions set forth in Section 13.1 of this Agreement.

---------- END ----------

Attachment 3

Form of MIP MOA for local and tribal governments -

(Redline version showing all modifications proposed in AL 7660-E (blue) and AL 7660-E-A (red). Modifications are in reference to the previously approved version of the form Grant Agreement in AL 7042-E.)

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT ~~MIP AWARDEES~~]

COMMUNITY MICROGRID ENABLEMENT TARIFF
MICROGRID OPERATING AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

and

_____

Dated:

_____

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT CMG AGGREGATORS]

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This Community Microgrid Enablement Tariff Microgrid Operating Agreement ("Agreement" or "MOA"), together with the appendices and any other attachments referenced herein, is made and entered into between Pacific Gas and Electric Company, a California corporation ("PG&E") and _____ a _____ as ("Community Microgrid Aggregator" or " CMG Aggregator") as of _____ (the "Effective Date"). CMG Aggregator and PG&E are referred to individually as "Party" or collectively as "Parties". PG&E and CMG Aggregator hereby agree to the following:

RECITALS

A. Whereas, PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission in northern and central California and which owns an extensive electric transmission and distribution system within that area; and,

B. Whereas, the CMG Aggregator wishes to coordinate control of distributed energy resources and provide energy resiliency for end use customers through development of a Community Microgrid ("CMG"); and,

C. Whereas, the CMG Aggregator is a [Tribal Governmental Authority]/~~or~~ [Local Governmental Authority]; and,

D. Whereas, the Parties desire to enter an agreement to enable the development and operation of a Community Microgrid under PG&E's Community Microgrid Enablement Tariff ("CMET"), which was approved by California Public Utilities Commission ("CPUC"); and,

E. Whereas, Parties agree that the CMET Project Resources are governed by existing rules and tariffs and require CMET Project Resource interconnection agreements when the normal mode of CMET Project operation is interconnected to and operating in parallel with the Distribution System beyond the CMET Project Microgrid Boundary ("Blue Sky Mode"); and,

F. Whereas, Parties agree that the CMET Project is governed by the CMET and existing rules and tariffs when operating in disconnected mode ("Island Mode") from PG&E's distribution system at the Microgrid Islanding Point, which includes transitioning into, operating in, and transitioning out of Island Mode, and safe reconnection back to PG&E's broader Distribution System, and that this Agreement is needed to define the roles and responsibilities of the Parties for the development and commissioning, and for safe, reliable operation of a CMET Project in Island Mode; and,

G. Whereas, CMG Aggregator's CMET Project has undergone a Microgrid Islanding Study performed by PG&E for the CMET Project, and the CMG Aggregator has: (1) reviewed and accepted the applicable PG&E Microgrid Islanding Study report for the proposed CMET Project; (2) reviewed and accepted the resultant draft Description of Operations and the PG&E Microgrid Special Facilities Agreement; (3) reviewed and accepted the required CMG Aggregator supplied CMET Project Balance of System and operational requirements; and (4) has committed to enter into this Agreement and to govern the development and operation of the CMET Project.

Now, therefore, in consideration of the agreements contained herein, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

This Agreement shall be binding as of the Effective Date.

1. TERM & TERMINATION

1.1. Term

A. The Term of this Agreement shall commence upon the Effective Date and shall continue until the earliest of:

(i) expiration of the Development Term if the interconnection request for the CMET Project Resource is withdrawn or the CMET Project Resource fails to achieve commercial operations pursuant to its interconnection agreement,

(ii) expiration of the Development Term if CMET Project does not satisfy all of the Development Conditions by the applicable CMET Project Development Milestones included in Appendix III-A pursuant to Section 2.3 of this Agreement,

(iii) expiration of the Operating Term, or

(iv) termination pursuant to Section 1.2 of this Agreement, provided that the terms and conditions of this Agreement shall thereafter remain in effect until the Parties have fulfilled all obligations arising under this Agreement.

B. Development Term

The "Development Term" is the period described in the Project Implementation Plan, attached hereto as Appendix III-B, commencing on the Effective Date and shall remain in effect until the CMET Project Islanding Operation Date (IOD), unless sooner terminated in accordance with Section 1.2 of this Agreement.

C. Operating Term

The "Operating Term" is the period commencing on the CMET Project Islanding Operation Date, as such term is defined in Section 2.2, and shall remain in effect for a period of ten (10) years from the IOD or such other longer period as the CMG Aggregator may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated in accordance with Section 1.2 of this Agreement.

1.2. Termination

This Agreement shall continue in full force and effect until the occurrence of one or more of the following events:

A. Parties mutually agree in writing to terminate the Agreement,

B. The termination of any existing executed CMET Project Resource Interconnection Agreement(s), which if terminated would result in the CMET Project no longer being in

compliance with the CMET requirements per the Microgrid Islanding Study,

C. The CMET Project no longer meets the eligibility requirements set forth in the CMET Tariff (E-CMET),

D. An Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties requires that the Agreement or the CMET Project be terminated, or

E. As provided in Section 5.2.B for an Event of Default.

In the event of a termination of this Agreement pursuant to Section 1.2.A, such termination will be effective as of the date designated in writing by the Parties. In the event of a termination pursuant to Section 1.2.B, such termination will be effective as of the earliest termination date of the applicable CMET Project Resource Interconnection Agreement(s), without need for further Notice by either of the Parties. In the event the CMET Project no longer meets the eligibility requirements set forth in E-CMET, pursuant to Section 1.2.C, termination will be effective thirty (30) days from delivery of Notice from PG&E of such noncompliance if CMG Aggregator is unable to cure such noncompliance. In the event of a termination pursuant to Sections 1.2.D, termination will be on a date consistent with said Order. In the event of termination pursuant to Section 1.2.E, the non-defaulting party will send a Notice specifying the basis for termination and designating a termination date.

1.3. CMET Project Suspension

During the Operating Term, this Agreement may be suspended by mutual agreement of the Parties for a period of time not to exceed six (6) months as a result of:

A. A System Change as described in Article 4, or

B. Written request to PG&E by the CMG Aggregator, or

C. Written request to CMG Aggregator by PG&E.

During any such suspension period, the operational capability of the CMET Project to transition into, operate in and transition out of Island Mode will be suspended, disabled and physically locked out as prescribed in the applicable Operating Performance Requirements, Procedures and Protocols detailed in Appendix XII.

2. CMET PROJECT DEVELOPMENT

2.1. CMET Project Development Responsibilities and Conditions

A. CMG Aggregator and PG&E shall work together to develop, construct, install, and test the CMET Project in accordance with: (1) the CMET Project Implementation Plan (PIP) schedule set forth in Appendix III-B; (2) the CMET Project Performance Testing Technical Criteria as set forth in Appendix VIII-A; (3) the CMET Microgrid Islanding Study attached as Appendix II; and (4) any applicable requirements in the CMET Project Resource Interconnection Agreement(s), and the Microgrid Special Facilities Agreement, that are attached hereto as

Appendix IV-A and Appendix IV-B, respectively.

B. CMG Aggregator and PG&E agree to collaborate in good faith to complete the CMET Project successfully and expeditiously by the Development Milestones set in Appendix III-A. CMG Aggregator and PG&E will each, as applicable, take all reasonable actions required to demonstrate the satisfaction of each of the following development conditions consistent with both (1) the CMET Project Development Milestones for which the respective Party is responsible, as detailed in the attached Appendix III-A, and (2) the CMET Project Implementation Plan (PIP) attached as Appendix III-B:

a) At CMG Aggregator's expense, CMG Aggregator or Contractor shall have constructed or caused to be constructed and demonstrated to PG&E's satisfaction that the CMET Project, including the CMET Project Resources and Project Balance of System, has been installed, constructed and configured consistent with the requirements detailed in the CMET Microgrid Islanding Study and Commissioning Test Plan (i.e., Appendix VIII-B) no later than the applicable Development Milestones. The CMG Aggregator shall take all actions and obtain all approvals necessary to develop the CMET Project Resources and CMET Project Balance of System pursuant to the terms of this Agreement.

b) CMG Aggregator shall have developed Operating, Procedures and Protocols for the CMET Project, consistent with the CMET Operating Performance Requirements incorporated as Appendix XII of this Agreement, that has been approved by PG&E no later than the applicable Development Milestone presented in Appendix III-A, and prior to requesting Permission to Island the CMET Project.

c) CMG Aggregator shall have developed a Commissioning Test Plan consistent with the CMET Operating Performance Requirements incorporated as Appendix VIII-B of this Agreement. A Commissioning Test Plan that has been approved by PG&E shall be submitted to PG&E no later than the applicable Development Milestone presented in Appendix III-A, and prior to CMG Aggregator requesting Permission to Island the CMET Project. The Commissioning Test Plan shall be incorporated as Appendix VIII-B of this Agreement.

d) CMG Aggregator shall have delivered to PG&E the Multiple Use Attestation in accordance with Section 7.1.D of this Agreement in the form of Appendix X-B, and in accordance with Development Milestones presented in Appendix III-A and prior to requesting Permission to Island the CMET Project.

e) CMG Aggregator shall have prepared a Project Safety Plan and Project Emergency Response Plan that has been approved by PG&E no later than the applicable Development Milestone presented in Appendix III-A. The Project Safety Plan and Project Emergency Response Plan shall incorporate the elements described in Appendix IX-A and Appendix IX-B, respectively, and will describe how the CMG Aggregator will demonstrate compliance with the Safety Requirements during the Development Term, through the CMET Project IOD and during the Operating Term.

f) CMG Aggregator shall have delivered to PG&E the Safety Attestation in the form of Appendix X-A in accordance with Appendix IX, and with the Development Milestones presented in Appendix III-A, and prior to requesting Permission to Island the CMET Project.

g) CMG Aggregator shall have demonstrated to PG&E's satisfaction that its operating personnel are familiar with the procedures and guidelines in this Agreement as part of the Commissioning Test Plan prior to the CMET Project operating in Blue Sky Mode or in Island Mode.

C. PG&E is responsible for the design, procurement, construction, installation, and maintenance of the Distribution Upgrades required to enable the CMET Project to operate in Island Mode, as more particularly described in the CMET Project Resource Interconnection Agreement and Microgrid Special Facilities Agreement between PG&E and CMG Aggregator. PG&E shall own and maintain the Distribution Upgrades.

2.2. Satisfaction of Development Conditions and Islanding Operation Date

A. The CMG Aggregator will provide PG&E with Notice(s) that must contain sufficient documentation to demonstrate satisfaction of the Development Conditions, and the CMG Aggregator will provide additional documentation as may be requested by PG&E to demonstrate or verify such satisfaction. Upon receipt of PG&E's Notice(s) that CMG Aggregator has satisfied all Development Conditions set forth in Section 2.1, CMG Aggregator will request to commence commissioning testing of the CMET Project by completing the form attached as Appendix XI-A and submitting it to PG&E for review and approval, such approval not to be unreasonably withheld, conditioned, or delayed.

B. Following receipt of PG&E's request to commence commissioning testing of the CMET Project, the CMG Aggregator will demonstrate CMET Project performance and operational compliance with the Performance Testing Technical Criteria detailed in Appendix VIII-A and PG&E-Approved Commissioning Test Plan as detailed in Appendix VIII-B. Parties will conduct CMET Project Commissioning Test per the Project Commissioning Test Plan of the CMET Project which may include, at PG&E's discretion, but not be limited to: (i) operational demonstration in Blue Sky Mode, (ii) transition to and operation in Island Mode, and (iii) transition from Island Mode to Blue Sky Mode through resynchronization with PG&E's electric system in accordance with the PG&E-approved Commissioning Test Plan.

C. The date upon which all requirements of Section 2.2.A and Section 2.2.B have been completed to the reasonable satisfaction of PG&E will be the "Islanding Operation Date" or "IOD" for the CMET Project. The Parties shall memorialize the Islanding Operation Date by mutual execution of the "Islanding Operation Date Confirmation Letter" attached as Appendix XI-B.

2.3. Failure to Meet Development Conditions

If CMG Aggregator fails to satisfy all of the Development Conditions as set forth in Section 2.1

by the applicable CMET Project Development Milestones set forth in Appendix III-A, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement.

3. CMET PROJECT OPERATIONS

3.1. CMET Project Operation

The CMET Project shall be capable of operation in Blue Sky Mode and Island Mode without adversely affecting the operations of the connected electric grid or the operations of the Distribution Customers within the CMET Project Microgrid Boundary and without presenting safety hazards to the public, PG&E's or CMG Aggregator's personnel, agents, contractors, and invitees.

3.2. Roles & Responsibilities – General

A. PG&E is the Distribution Provider that is responsible for providing Distribution Service under both Blue Sky and Island Modes pursuant to all applicable Laws. PG&E will own, operate, and maintain the Distribution System, including any Distribution Upgrades.

B. The CMG Aggregator is a third-party aggregator that coordinates control of distributed resources, including CMET Project Resources and any demand-side management resources, consistent with relevant provisions of Applicable Rules and Standards and Operating Performance Requirements, Procedures and Protocols as detailed in Appendix XII to enable the CMET Project to operate in Island Mode. ~~The CMG Aggregator is required to maintain the resources that it controls within the microgrid boundary sufficient for the utility to safely and reliably operate the microgrid for a minimum of ten years~~

C. During the Operating Term, CMG Aggregator shall at all times (i) retain operational coordination with PG&E for the CMET Project pursuant to this Agreement and applicable Operating Performance Requirements, Procedures and Protocols as shown in Appendix XII, (ii) be responsible for or cause CMG Aggregator's agent to be responsible for maintenance of the CMET Project Resources and CMET Project Balance of System, and (iii) bear all costs related to operation, scheduling, and maintenance of the CMET Project Resources and CMET Project Balance of System as required for the CMET Project to safely and reliably transition to, operate in and transition from Island Mode.

3.3. Roles and Responsibilities - Modes of Operation

A. Blue Sky Mode

Blue Sky Mode is when the CMET Project is operating connected and synchronized to the PG&E Distribution System at the Microgrid Islanding Point(s). Under Blue Sky Mode, the Parties' roles and responsibilities are as follows:

a) CMG Aggregator is responsible for monitoring CMET Project Resources and Balance of Systems that are under their ownership and/or control, to assure availability and

readiness to transition to Island Mode, either on a planned/scheduled basis or as a result of an unplanned outage of the PG&E distribution system at or beyond the Microgrid Islanding Point(s). CMG Aggregator is responsible for managing CMET Project Resources and Balance of System under their ownership and/or control or obligation in a manner consistent with Applicable Rules and Standards. CMG Aggregator is responsible for periodic testing to demonstrate availability and capability of the CMET Project pursuant to Section 3.5 and consistent with applicable Operating Performance Requirements, Procedures and Protocols prescribed in Appendix XII.

b) PG&E is responsible for monitoring and control of the CMET Project equipment and systems via PG&E's Supervisory Control and Data Acquisition (SCADA) system for operational availability, readiness and compliance with PG&E designated and approved control and protection configuration and settings and for monitoring the PG&E Distribution System within the CMET Project Microgrid Boundary consistent with PG&E's role and responsibility as Distribution Provider and in conformance with all Applicable Rules and Standards. PG&E will notify CMG Aggregator of a PSPS event which could result in a transition from Blue Sky Mode to Island Mode either at the same time (to the extent the CMG Aggregator is classified as a Public Safety Partner) or at the earliest reasonably practicable opportunity after it notifies Public Safety Partners and posts to its website notice of an anticipated de-energization of transmission infrastructure, in accordance with the CMET Project Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII. Unless otherwise ordered by a Regulatory Authority, PG&E shall bear no liability for any actions taken by the CMG Aggregator due to PG&E's notification of a potential PSPS event that does not ultimately result in the need for the CMET Project to enter Island Mode.

B. Island Mode

Island Mode is when the CMET Project has disconnected from the broader PG&E Distribution System at the Microgrid Islanding Point(s) and is providing power to the Distribution Customers within the CMET Project Microgrid Boundary:

a) CMG Aggregator is responsible for monitoring and operating CMET Project Resources and Balance of System to maintain service quality as prescribed in Section 3.2. CMG Aggregator will provide on-site inspection during Island Mode operation in accordance with the Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII.

b) PG&E is responsible for monitoring the CMET Project via PG&E's SCADA system, as well as limited control for operational compliance with PG&E designated and approved control and protection configuration and settings, and for monitoring the PG&E Distribution System within the CMET Project Microgrid Boundary consistent with PG&E's role and responsibility as Distribution Provider. PG&E is responsible for notifying CMG Aggregator of a planned transition from Island Mode to Blue Sky Mode in accordance with the Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII.

C. Maintenance

a) The CMG Aggregator agrees to maintain all PG&E required CMET Project devices as identified in the Microgrid Islanding Study, Appendix V, and Description of Operations in service, with controller and protection settings as recorded on a PG&E-approved relay test report and G5-1 forms described in PG&E's Distribution Interconnection Handbook and required for pre-parallel inspection of CMET Project.

b) Requests for installation of proposed firmware updates to Balance of System owned by CMG Aggregator or proposed changes in controller and protection settings which are essential to ensure day-to-day reliability, operational security and safety, or cyber-security related to the CMET Project must be submitted in writing to PG&E for review and approval. PG&E will review any such proposed firmware updates, changes and modifications of and associated implementation and test plan, and will provide CMG Aggregator with Notice of its approval, or of any required modifications. Upon confirmation that such modifications have been made by CMG Aggregator, PG&E will provide Notice of approval to CMG Aggregator, with confirmation that CMG Aggregator may proceed with its implementation and test plan and consistent with Operating Performance Requirements, Procedures and Protocols in Appendix XII as applicable.

c) The CMG Aggregator agrees to comply with the requirements identified in this Agreement for CMET Project Island Mode operation and the PG&E Interconnection Handbooks for all such equipment and generation sources capable of parallel operation with PG&E's electrical system.

3.4. Operational Coordination

A. Communications

During the Operating Term, CMG Aggregator shall coordinate CMET Project operations with PG&E and maintain the CMET Project pursuant to the Operating Performance Requirements, Procedures and Protocols as described in Appendix XII.

a) The CMG Aggregator shall maintain operating communications with the Designated PG&E Distribution Control Center at all times during the Operating Term. The operating communications shall include, but not be limited to, CMET Project status, CMET Project Resource separation, scheduled and unscheduled shutdowns, Unscheduled Island Mode and CMET Project equipment clearances, and notifications of security updates and support pursuant to Section 12.2.D of this Agreement. Communications can be a combination of real-time telemetry through SCADA and person to person communications as described in Appendix XII.

b) All oral operating communications shall be conducted through the Designated PG&E Distribution Control Center. The CMG Aggregator agrees to maintain direct phone service staffed 24 hours so that PG&E can give instructions to the CMG Aggregator or its designated CMET Project operations coordinator.

c) Parties will develop Operating Performance Requirements, Procedures and Protocols as provided in Section 2.1.B(a), to be incorporated as Appendix XII of this Agreement. The Operating Performance Requirements, Procedures and Protocols may include, but shall not be limited to, the following elements:

1. Identify and describe parties' detailed operational roles and responsibilities under defined operating modes of i) Blue Sky Mode and ii) Island Mode, including during the transitions between such operating modes as prescribed in this Agreement.
2. Identify responsible entities and respective Designated CMET Project Operating Representatives for specific operational activities associated with the CMET Project and PG&E.
3. Identify communications requirements for operational notification and coordination that may include:
   i. Any Emergency situation or any CMG Aggregator request that PG&E de-energize a portion of the PG&E Distribution System within the CMET Project.
   ii. Any Emergency situation or any PG&E need to de-energize a portion of the PG&E Distribution System within or outside the CMET Project Microgrid Boundary that impacts the ability of the CMET Project to transition to and operate in Island Mode.
   iii. Any changes in the mechanical or electric condition of the CMET Project that may affect the reliability of the PG&E electric system.
   iv. Immediately upon discovery, any mis-operation or inoperable condition of a PG&E-required CMET Project controller, relay, circuit breaker, or other protective device.
   v. Any curtailment or limitation in CMET Project operation resulting from any type of communications, control or hardware failure.
   vi. Immediately upon discovery, any operation of a PG&E-required CMET Project, circuit breaker, or other protective device, including a listing and description of the protection alarm points that caused the circuit breaker or protective device to operate.
   vii. Emergency CMET Project transition to Island Mode shall be reported as soon as conditions permit.
   viii. Planned/Scheduled transition between Operating Modes.
   ix. Planned maintenance outage requests of the CMET Project, consistent with PG&E process, procedures and standards as applicable and as may be incorporated or referenced in Appendix XII.
   x. Planned maintenance outage of PG&E Distribution System that may impact the CMET Project that impacts the ability of the CMET Project to transition to and operate in Island Mode.
   xi. Procedures for switching, energizing/de-energizing of the PG&E Distribution and/or CMET Project.

xii. Periodic capability and functional testing.

xiii. Personnel authorization to access CMET Project control facilities and equipment.

B. Special Operations & Clearance Requests

a) CMG Aggregator may request a special operation to manually island the CMET Project from the PG&E system for testing, maintenance, repairs or other as otherwise mutually agreed between the Parties. CMG Aggregator must provide PG&E notice pursuant to the Operating Performance Requirements, Procedures and Protocols prior to any such proposed special operation, including the reasons and objectives for the request, planned date/time of Island Mode operation, Island Mode duration and planned date/time of transitioning back to Blue Sky Mode. PG&E, in its sole discretion, may provide CMG Aggregator confirmation and approval of the request and will coordinate transition to Island Mode and return to Blue Sky Mode operations with the Designated PG&E Distribution Control Center in real time when proceeding with the approved special operations.

b) Under normal conditions, PG&E will give advance notice of plans to perform work that may affect the CMET Project access to the PG&E system, consistent with PG&E process, procedures and standards as may be applicable and incorporated or referenced in Appendix XII. The CMG Aggregator may request that such work be performed during times other than regular business hours (Non-Holidays, Monday through Friday, 8:00 A.M. to 5:00 p.m.), which PG&E may accommodate, provided that PG&E reserves the right to charge the CMG Aggregator the additional cost for work performed during times other than normal business hours when the schedule of such work is negotiable, as solely determined by PG&E. PG&E will provide the CMG Aggregator with an estimate of the additional cost and if the CMG Aggregator still desires the work to be performed during non-normal business hours and PG&E does perform the work, PG&E shall charge the CMG Aggregator the actual additional costs for the work, the amount of which shall not exceed the cost estimate.

c) Under Emergency conditions, PG&E through the Designated PG&E Distribution Control Center may, without notice and at any time, interrupt service to the CMET Project if a situation exists which may adversely affect the PG&E Electric System Integrity or upon any emergency request that PG&E de-energize a portion of the Distribution System under its control pursuant to Electric Rule 14.

3.5. Operating Performance Requirements

During the Operating Term, CMG Aggregator will satisfy the following operational performance requirements (collectively, the “Operating Performance Requirements”):

A. The CMET Project must successfully meet the performance requirements as specified in Appendix II and Appendix XII.

B. The CMG Aggregator shall demonstrate compliance with the requirements for Operational Coordination for communications, special operations and clearance

requests pursuant to Section 3.4 to PG&E's satisfaction.

C. PG&E and CMG Aggregator will mutually develop a CMET Project Performance Test not later than [date]. The Parties will perform a biennial (occurring every two [2] years) CMET Project Performance Test, or as PG&E, in its sole discretion, determines the need for a test, but not to exceed more than once every 12 months.

   a. As part of the CMET Project Performance Test, CMG Aggregator is to demonstrate that the CMET Project can successfully meet the operating requirements and required performance pursuant to the CMET Project Description of Operations in Appendix XII and the Microgrid Islanding Study in Appendix II as applicable. CMET Project Performance Test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.

   b. PG&E and CMG Aggregator will mutually develop and coordinate review and Parties will perform testing of the CMET Project Balance of System to demonstrate compliance with manufacturer's accepted specifications and applicable operating requirements pursuant to CMET Project Description of Operations detailed in Appendix XII. CMET Project Balance of System test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.

   c. As part of the CMET Project Performance Test, PG&E may, at its option, request CMG Aggregator to demonstrate to PG&E's satisfaction that its operating personnel are familiar with the Operating Performance Requirements, Procedures and Protocols in this Agreement to the CMET Project operating in Blue Sky Mode or in Island Mode and associated transitions between these operating modes.

[Note: Following section applicable for CMET Projects that have received Microgrid Incentive Program (MIP) funding only]

~~D. The CMG Aggregator shall satisfy the Operating Term Performance Assurance requirements specified in Appendix XIII.~~

D. The CMG Aggregator ~~is required to~~shall maintain the CMET Project ~~r~~Resources that it controls within the ~~m~~Microgrid ~~b~~Boundary sufficient for ~~the utility~~PG&E to safely and reliably operate the microgrid for a minimum of ten years.

3.6. Failure to Meet CMET Operating Performance Requirements

If CMG Aggregator fails to satisfy all of the Operating Performance Requirements as set forth in Section 3.5, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement, and CMG Aggregator may be required to develop a cure or be subject to termination of the CMET Project pursuant to Section 5.2 of this Agreement.

4. SYSTEM CHANGE

4.1. Periodic Review

At any time and at its sole discretion, PG&E may perform a review of an existing CMET Project's Microgrid Islanding Study and evaluate the impact of any substantive changes in the original assumptions used in the CMET Project's applicable Microgrid Islanding Study regarding customer load, resources, or other operational or safety issues inside or outside the CMET Project Microgrid Boundary of an existing CMET Project that may represent a System Change which could render the CMET Project incapable of safely operating in Island Mode, or transitioning to and from Island Mode.

If, in PG&E's sole discretion, a Microgrid Islanding Study conducted pursuant to this Section 4.1 results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the Microgrid Islanding Study. If any Microgrid Islanding Study performed for the CMET Project after the initial Microgrid Islanding Study results in a determination that no upgrades are required, PG&E will bear the cost of that Microgrid Islanding Study.

4.2. CMG Aggregator Proposed Changes

A. Change or Modify CMET Project Resources or Loads

a) During the Operating Term, the CMG Aggregator may need or want to change, modify or add CMET Project Resources or incorporate CMG Aggregator-initiated changes in end-use customer loads (e.g., behind the meter resources or programs, new loads, etc.) within the existing CMET Project Microgrid Boundary. CMG Aggregator must notify PG&E of any such proposed changes in sufficient detail to allow PG&E to make a preliminary assessment if the proposed changes would constitute a System Change. CMG Aggregator will not make any changes to the existing CMET Project without first providing Notice to PG&E and fulfilling the requirements of this Section 4.2.

b) Upon receipt of CMG Aggregator's Notice of a proposed change as described in Section 4.2.A(a), PG&E will conduct a preliminary assessment to determine if the proposed changes would constitute a System Change. If, in PG&E's sole discretion, the proposed changes would not constitute a System Change, PG&E will provide Notice to CMG Aggregator if the proposed change is acceptable, or provide feedback on necessary modifications to the proposed change. If, in PG&E's sole discretion, the proposed changes constitute a System Change, PG&E will advise CMG Aggregator and request written authorization from CMG Aggregator to proceed with a new Microgrid Islanding Study.

c) If CMG Aggregator authorizes PG&E to proceed, PG&E will perform a new Microgrid Islanding Study, based on the CMG Aggregator's proposed changes as well as any other relevant operational conditions inside or outside the CMET Project Microgrid Boundary that PG&E deems appropriate. PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon its completion for review. The Microgrid Islanding Study will

identify what new or incremental additions to existing Microgrid Resources, Special Facilities or Balance of System are required and what the cost estimate is for these changes.

d) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid Islanding Study and the revised Description of Operations to review and sign the new/incremental Microgrid Special Facilities Agreement and the new/revised CMET Project Balance of System requirements. CMG Aggregator may request an engineering results review within ten (10) Business Days after receipt of the MIS to review the MIS findings with PG&E and determine what modifications, if any, may permit the safe and reliable Island Mode operation. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Island Mode.

e) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then no modifications will be made to the existing CMET Project and it will continue to operate under the existing MIS and Description of Operations.

B. Cost Responsibility

a) CMG Aggregator is responsible for and shall remit within forty-five days of invoicing to PG&E the cost of a new Microgrid Islanding Study conducted under Section 4.2.

b) The CMG Aggregator is responsible for all incremental costs associated with changes to the Microgrid SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.2, including any required changes to the Project Resource owner's Interconnection Agreements.

4.3. PG&E System Changes

A. New Microgrid Islanding Study

a) At any time during the Operating Term, PG&E may need to accommodate new generation interconnection, customer load changes/new connections or accommodate other operational conditions within and/or outside the Microgrid Boundary of an existing CMET Project which may, in PG&E's sole determination result in a System Change. CMG Aggregator Proposed Changes described in Section 4.2.A(a) are specifically excluded from the definition of PG&E System Changes described in this Section 4.3.

b) PG&E will notify the CMG Aggregator of any System Change identified pursuant to Section 4.3.A(a). If the System Change includes a new generation interconnection within the existing CMET Project Microgrid Boundary, PG&E will, subject to applicable confidentiality restrictions, notify the CMG Aggregator and the CMG Aggregator, in its sole discretion, may approach the owner of the new generation about potentially participating in the CMET Project.

c) Within fifteen (15) days of PG&E notifying the CMG Aggregator of a System Change involving new load or generation interconnection, PG&E will initiate a new Microgrid

Islanding Study, assuming the new load, if applicable, will be integrated into the existing CMET Project and further assuming that the new generation (i.e., Non-Project Resource), if applicable, will not be integrated as a new CMET Project Resource within the existing CMET Project, unless specifically notified by the CMG Aggregator otherwise.

d) PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon completion for CMG Aggregator's review. The Microgrid Islanding Study will identify what new or incremental additions to existing CMET Project Resources, Special Facilities or Balance of System are required and provide a cost estimate for these changes.

e) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid Islanding Study (which will include a revised Description of Operations) to review and sign the new/incremental Microgrid Special Facilities Agreement and the new/revised CMET Project Balance of System and operational requirements. CMG Aggregator may request an engineering results review within ten (10) Business Days after receipt of the MIS to review the MIS findings with PG&E and determine what modifications, if any, may permit the safe and reliable Island Mode operation. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Islanding Mode.

f) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then PG&E will provide CMG Aggregator with an estimate of when the existing CMET Project will be terminated or suspended under provisions described in Section 1.2.

B. Cost Responsibility:

a) If, in PG&E's sole discretion, a Microgrid Islanding Study conducted pursuant to this Section 4.3 results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the Microgrid Islanding Study. Except as provided in Section 4.3.B(d), if any Microgrid Islanding Study performed for the CMET Project after the initial Microgrid Islanding Study results in a determination that no upgrades are required, PG&E will bear the cost of that Microgrid Islanding Study.

b) The CMG Aggregator is responsible for all incremental costs associated with changes to Microgrid SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.1 and Section 4.3, including any incremental required changes to the CMG Aggregator's Interconnection Agreement requirements due to the CMG Aggregator making modifications to the Project Resource(s).

c) The CMG Aggregator is not responsible for any costs associated with interconnection upgrades required to maintain safe grid operation during Blue Sky Mode as a result of a third party adding new generation or load within and/or outside the Microgrid Boundary of an existing CMET Project.

d) The CMG Aggregator is solely responsible for and shall remit within forty-five days of

invoicing to PG&E the costs reasonably incurred by PG&E to conduct a Microgrid Islanding Study if a customer requests to be removed from the CMET Project or if the CMG Aggregator is amenable to including a customer requesting to be added to the CMET project.

C. Summary Table of Cost Responsibility

For convenience, the following table summarizes the cost responsibilities under various System Change scenarios described in Section 4.1, 4.2, and 4.3. To the extent any conflict arises between the summary in this Table and other provisions of this MOA, the other provision in the MOA Section Referenced column of the Table shall control.

System Change Category	System Change Scenario[1]	MOA Section Referenced	MIS Cost Responsibility	Microgrid Upgrade Cost Responsibility[2]
Load	Customer within microgrid changes panel sizing	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	New customer load application for interconnection within the Microgrid Boundary[4]	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	Customer outside microgrid requests to be included	4.3	CMG Aggregator	CMG Aggregator
	Customer within microgrid requests to be removed from microgrid	4.3	CMG Aggregator	CMG Aggregator
Generation	Non-Project Resources added (BTM or FTM generation)[4]	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	Project Resource modification or addition	4.2	CMG Aggregator	CMG Aggregator
	CMG Aggregator proposed load management solutions (e.g., demand response)	4.2	CMG Aggregator	CMG Aggregator
Operational changes	Changes at PG&E's discretion to support DSO role	4.1	Utility	Utility

[1] PG&E, at its sole discretion, determines whether these scenarios result in a System Change requiring the need for a MIS.
[2] PG&E must agree to proposed upgrades before upgrades occur.
[3] For the identified System Change scenarios, if the MIS results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the MIS. If any MIS performed for the CMET Project after the initial MIS results in a determination that no upgrades are required, PG&E will bear the cost of that MIS.
[4] If a new customer or Non-Project Resource are uninterested in being included in the CMET Project, the customer or responsible party for the Non-Project Resource are responsible for any associated costs to be exclude from the CMET Project.

Table 1: Responsible Party for costs associated with a MIS and/or microgrid upgrade costs due to System Changes.

5. EVENTS OF DEFAULT, REMEDIES AND DEFAULT

5.1. Events of Default

A. CMG Aggregator

The CMG Aggregator will be deemed a "Defaulting Party" upon the occurrence of any of the following (each a "CMG Aggregator's Event of Default"):

a) CMG Aggregator fails to satisfy a Development Condition by the required Development Milestone date.

1. If a CMG Aggregator anticipates that it will be unable to meet a Development Condition or Development Milestone for any reason, it shall immediately notify PG&E of the reason(s) for not meeting the Development Condition or Development Milestone and (1) propose the earliest reasonable alternate date and the means by which CMG Aggregator can attain this and future Development Conditions or Development Milestones, and, (2), if PG&E agrees with such extension request, the Parties will make appropriate amendments to Appendix III-A and/or Appendix III-B.

2. PG&E may decline to enter into such an amendment in its reasonable discretion, including, without limitation, if (1) it anticipates that it may suffer uncompensated economic or operational harm from the delay, (2) attainment of the same Development Condition or Development Milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the Development Condition or Development Milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

b) The CMG Aggregator fails to satisfy the Operating Performance Requirements for the CMET Project as set forth in Section 3.5 of this Agreement, as determined by PG&E in its reasonable discretion.

c) The CMG Aggregator fails to complete any of Appendices or related documents contemplated in the Appendices pursuant to the terms and conditions set forth in Article 2 CMET Project Development of this Agreement.

[Note: Following section applicable for CMET Projects that have received MIP funding only]

d) The CMG Aggregator fails to maintain the CMET Project ~~r~~Resources that it controls within the ~~m~~Microgrid ~~b~~Boundary sufficient for ~~the utility~~PG&E to safely and reliably operate the microgrid for a minimum of ten years~~post and maintain Operating Term Performance Assurance as required pursuant to Appendix XIII~~.

B. Either Party

Either Party will be deemed a "Defaulting Party" if a Party fails to perform any of its material obligations or covenants under this Agreement when and as required, and such failure is not otherwise addressed in this Section 5.1 (each an "Event of Default").

5.2. Default Notice & Remedy

A. Upon a Default, the non-defaulting Party shall give written notice of such Default to the Defaulting Party. The Defaulting Party shall have sixty (60) Calendar Days from receipt of the Default Notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) Calendar Days, the Defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

B. If a Default is not cured as provided in this Section 5.2, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section 5.2.B will survive termination of this Agreement.

~~[Note: Following section applicable for CMET Projects that have received MIP funding only]~~

~~C. If this Agreement is terminated pursuant to Section 5.2.B during the Operating Term as the result of an uncured CMG Aggregator Event of Default under Section 5.1.A(b), then PG&E may claim the Operating Term Performance Assurance as liquidated damages in addition to any sums otherwise due pursuant to Section 5.2.B. Each Party agrees that (i) the damages that PG&E would incur due to CMG Aggregator's failure to satisfy the Operating Performance Requirements for the CMET Project as set forth in Section 3.5 of this Agreement would be difficult or impossible to predict with certainty and (ii) the Delay Damages are an appropriate approximation of such damages.~~

5.3. Waiver

A. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

B. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

6. GOVERNMENTAL CHARGES

6.1. Cooperation

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

6.2. Governmental Charges

CMG Aggregator shall pay or cause to be paid all taxes or fees imposed by any Governmental Authority (Governmental Charges) on or with respect to the CMET Project, by reason of the execution, delivery, performance or enforcement of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Law.

7. COVENANTS

7.1. General Covenants

Each Party covenants throughout the Term of this Agreement as follows:

A. It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and qualified to conduct business in the State of California and in all jurisdictions where ownership of its properties or its operations require such qualifications, except where the failure to do so would not have a material adverse effect on its financial condition, its ability to own its properties or transact its business, or to carry out the transactions contemplated hereby;

B. It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

C. It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it;

D. It shall follow all rules, orders and tariffs approved or established by the CPUC and the CAISO with respect to any energy storage CMET Project Resource, including, but not limited to the multiple use application rules set forth in Appendix A of CPUC Decision 18-01-003 as that Decision may be revised in the future.

7.2. Covenants of CMG Aggregator

CMG Aggregator covenants to and for the benefit of PG&E that throughout the Operating Term (unless another time period is specified):

A. It shall operate the CMET Project during the Operating Term in accordance with the Operating Performance Requirements, Procedures and Protocols in Appendix XII and the Safety Requirements, and,

B. It shall comply with all applicable Laws, Applicable Rules and Standards, and Utility Distribution Company, Participating Transmission Owner, and CAISO Tariff requirements applicable to the CMET Project.

C. [For CMG Aggregators that are Tribal entities]. It shall be bound by the terms and conditions set forth in Appendix XIIIV.

8. LIABILITY, INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

8.1. Limitation of Remedies, Liability and Damages

EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION (OTHER THAN IN SECTION 8.2) OR OTHERWISE EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 8.2, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES

CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

8.2. Indemnity

A. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement as applicable to the CMET Project. Liability under this provision is exempt from the general limitations on liability found in Section 8.1.

B. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

C. If an indemnified person is entitled to indemnification under this Section 8.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 8.2, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

D. If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this Section 8.2, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

E. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 8 may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

8.3. Insurance

A. As of the Effective Date and throughout the Term (and for such additional periods as may be specified in this Section 8.3), the CMG Aggregator shall, at its own expense, provide and maintain in effect the insurance policies and minimum limits of coverage specified in this Section 8.3, and such additional coverage as may be required by Applicable Law, with insurance companies which are authorized to do business in the state in which the services are to be performed and which have an A.M. Best's Insurance Rating of not less than A-:VII. The minimum insurance requirements specified in this Section 8.3 do not in any way limit or relieve CMG Aggregator of any obligation assumed elsewhere in this Agreement, including, but not limited to, CMG Aggregator's defense and indemnity obligations.

a) Workers' Compensation Insurance with the statutory limits required by the state having

jurisdiction over CMG Aggregator's employees.

b) Employer's Liability Insurance with limits of not less than:

1. Bodily injury by accident – One Million dollars ($1,000,000) each accident;
2. Bodily injury by disease – One Million dollars ($1,000,000) policy limit; and
3. Bodily injury by disease – One Million dollars ($1,000,000) each employee

c) Commercial General Liability Insurance, (which, except with the prior written consent of PG&E and subject to Sections 8.3.A.(b)(1) and (2), shall be written on an "occurrence," not a "claims-made" basis), covering all operations by or on behalf of CMG Aggregator arising out of or connected with this Agreement, including coverage for bodily injury, broad form property damage, personal and advertising injury, products/completed operations, and contractual liability. Such insurance shall bear a combined single limit per occurrence and annual aggregate of not less than one million dollars ($1,000,000), exclusive of defense costs, for all coverages. Such insurance shall contain standard cross-liability and severability of interest provisions. If CMG Aggregator elects, with PG&E's written concurrence, to use a "claims made" form of Commercial General Liability Insurance, then the following additional requirements apply:

1. The retroactive date of the policy must be prior to the Effective Date; and
2. Either the coverage must be maintained for a period of not less than four years after the Agreement terminates, or the policy must provide for a supplemental extended reporting period of not less than four years after the Agreement terminates.

d) Commercial Automobile Liability Insurance covering bodily injury and property damage with a combined single limit of not less than $1,000,000 per occurrence. Such insurance shall cover liability arising out of CMG Aggregator's use of all owned (if any), non-owned and hired automobiles in the performance of the Agreement.

e) Umbrella/Excess Liability Insurance, written on an "occurrence," not a "claims-made" basis, providing coverage excess of the underlying Employer's Liability, Commercial General Liability, and Commercial Automobile Liability insurance, on terms at least as broad as the underlying coverage, with limits of not less than $10,000,000 per occurrence and in the annual aggregate. The insurance requirements of this Section 8.3 can be provided by any combination of CMG Aggregator's primary and excess liability policies.

B. The insurance required in Section 8.3.A apply as primary insurance to, without a right of contribution from, any other insurance maintained by or afforded to PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, and employees, regardless of any conflicting provision in CMG Aggregator's policies to the contrary. To the extent permitted by Applicable Law, CMG Aggregator and its insurers are required to waive all rights of recovery from or subrogation against PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees and insurers. The Commercial

General Liability and Umbrella/Excess Liability insurance required above shall name PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents and employees, as additional insureds for liability arising out of CMG Aggregator's construction, ownership or operation of the CMET Project.

C. At the time this Agreement is executed, or within a reasonable time thereafter, and within a reasonable time after coverage is renewed or replaced, CMG Aggregator shall furnish to PG&E certificates of insurance evidencing the coverage required in this Section 8.3, written on forms and with deductibles reasonably acceptable to PG&E. All deductibles, co-insurance and self-insured retentions applicable to the insurance above shall be paid by CMG Aggregator. All certificates of insurance shall note that the insurers issuing coverage shall endeavor to provide PG&E with at least 30 days' prior written notice in the event of cancellation of coverage. PG&E's receipt of certificates that do not comply with the requirements stated herein, or CMG Aggregator's failure to provide certificates, does not limit or relieve CMG Aggregator of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 8.3 and does not constitute a waiver of any of the requirements in this Section 8.3.

D. If CMG Aggregator fails to comply with any of the provisions of this Section 8.3, CMG Aggregator, among other things and without restricting PG&E's remedies under the Applicable Law or otherwise, shall, at its own cost and expense, act as an insurer and provide insurance in accordance with the terms and conditions above. With respect to the required Commercial General Liability, Umbrella/Excess Liability and Commercial Automobile Liability insurance, CMG Aggregator shall provide a current, full and complete defense to PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above.

E. CMG Aggregator has the right to self-insure to comply with CMG Aggregator's obligations under this Section 8.3. The insurance carrier or carriers and form of policy (including any deductible amount), or any plan for self-insurance shall be subject to review and approval by PG&E, which approval may not be unreasonably withheld, conditioned or delayed.

9. ASSIGNMENT

9.1. General Assignment

Neither Party will assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent will not be unreasonably conditioned, delayed, or withheld so long as (a) the assignee assumes the transferring Party's performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder, (d) the transferring Party delivers such tax and enforceability assurance as the other

Party may reasonably request, and (e) in the case of CMG Aggregator as the transferring Party with a transfer to an assignee that will have operational control of the CMET Project, CMG Aggregator delivers to PG&E, upon PG&E's request, documentation to demonstrate the assignee is capable of satisfying and complying with all provisions of this Agreement.

9.2. Assignment in Connection with a Change in Control

Any direct change of control of CMG Aggregator or CMG Aggregator's Parent (whether voluntary or by operation of Law) is deemed an assignment and shall require the prior written consent of PG&E which consent shall not be unreasonably conditioned, delayed or withheld, provided that the requirements identified in Section 9.1(a) through (e) are met. CMG Aggregator shall use commercially reasonable efforts to provide PG&E (a) Notice at least ten (10) days prior to the effectiveness of any indirect change in control, and shall in any event provide such Notice no later than ten (10) Business Days after the indirect change in control, and (b) such other information as PG&E may reasonably request in connection with such change in control.

9.3. Unauthorized Assignment

Any attempted assignment that violates this Article 9 is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the CMG Aggregator. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

10. DISPUTE RESOLUTION

The Parties agree to attempt to resolve all disputes associated with this Agreement according to the provisions of this Article 10.

10.1. Notification and Negotiation

A. In the event of a dispute, the dispute shall be documented in a written Notice by the aggrieved Party to the other Party containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express Notice by the aggrieved Party that it is invoking the procedures under this Article 10. The Notice shall be sent to the Party's email address and physical address set forth under Notices in Appendix VII. A copy of the Notice shall also be sent to the Energy Division, Office of the Director, at the Commission. The receiving Party shall acknowledge the notice within five (5) Calendar Days of its receipt.

B. Upon the aggrieved Party notifying the other Party of the dispute, each Party must designate a representative with the authority to make decisions for its respective Party to review the dispute within seven (7) Calendar Days.

C. Upon receipt of Notice, receiving Party shall provide the aggrieved Party with all relevant

regulatory and/or technical details and analysis regarding the CMET Project under dispute within twenty-one (21) Calendar Days.

D. Within forty-five (45) Calendar Days of the date of the Notice, the Parties' Authorized Representatives will be required to meet and confer to try to resolve the dispute. Parties are expected to operate in good faith and use best efforts to resolve the dispute.

E. If a resolution is not reached in forty-five (45) Calendar Days from the date of the notice, either 1) a Party may request to continue negotiations for an additional forty-five (45) Calendar Days or 2) the Parties may by mutual agreement make a written request for mediation to the Alternative Dispute Resolution (ADR) Coordinator in the Commission's Administrative Law Judge (ALJ) Division. The request may be submitted by electronic mail to adr_program@cpuc.ca.gov. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

F. At any time, either Party may file a formal complaint before the Commission pursuant to California PUC section 1702 and Article 4 of the Commission's Rules of Practice and Procedure. Nothing in this section shall be construed to limit the rights of any Party to exercise rights and remedies under ~~Commission~~ California law.

10.2. Performance During Dispute

A. Pending resolution of any dispute under this Article 10, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement unless this Agreement has been terminated.

B. If a dispute for which a Party has provided a Notice pursuant to this Article 10 remains unresolved to the satisfaction of either Party more than sixty (60) days following receipt of the Notice, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

11. INTELLECTUAL PROPERTY, AGREEMENT DELIVERABLES AND USE RIGHTS

11.1. OWNERSHIP OF DELIVERABLES AND PROPRIETARY RIGHTS. PG&E shall own all data, reports, information, manuals, computer programs or other written, recorded, photographic or visual materials, proprietary rights, intellectual property or other deliverables produced or owned by PG&E in the performance of this Agreement. CMG Aggregator shall retain no interest, title or ownership including, but not limited to energy usage data and customer specific information, provided by PG&E.

11.2. CMG AGGREGATOR'S USE OF PG&E PROPERTY: All records, reports, computer programs, written procedures and similar materials, documents or data, in whatever form, provided by PG&E for CMG Aggregator's use to perform Work, shall remain PG&E's Confidential Information and property and be returned immediately upon completion of CMG Aggregator's use for performance of the Work or earlier upon PG&E's request. Alternatively,

CMG Aggregator may destroy such information, provided an officer of CMG Aggregator certifies the destruction in writing.

12. CONFIDENTIALITY AND DATA SECURITY

12.1. CONFIDENTIALITY:

A. CMG Aggregator and PG&E entered into a Mutual Nondisclosure Agreement dated as of [_____] in substantially the form of Appendix VI, attached hereto, and agrees to comply with the terms of Appendix VI with respect to the Confidential Information and Personal Information (as defined in that Appendices) it collects, uses or otherwise obtains in the performance of this Agreement.

B. If CMG Aggregator is in doubt about whether certain information is Confidential Information subject to Appendix VI, CMG Aggregator agrees to treat such information as Confidential Information.

12.2. MALICIOUS CODE:

CMG Aggregator represents, warrants, and covenants to PG&E that upon delivery to PG&E the deliverables and work provided to PG&E will not contain or make available any Malicious Code. For purposes of this paragraph, “Malicious Code” shall mean any (i) “back door,” “drop dead device,” “time bomb,” “Trojan horse,” “virus,” “ransomware,” or “worm” (as such terms are commonly understood in the software industry) or (ii) other code designed or intended to have, or capable of performing, any of the following functions: (a) disrupting, disabling, harming, interfering with or otherwise impeding in any manner the operation of, or providing unauthorized access to, an information technology system on which such code is stored or installed or (b) damaging or destroying any data or file without the user’s consent. If CMG Aggregator detects or is made aware of Malicious Code in any deliverable or work provided to PG&E, CMG Aggregator shall immediately notify PG&E. If PG&E has not put the Deliverables into use, CMG Aggregator shall remove such Malicious Code.

13. GENERAL PROVISIONS

13.1. General

All attached Appendices are hereby incorporated by reference and are made part of this Agreement. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). The

headings used herein are for convenience and reference purposes only.

13.2. Severability

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

13.3. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by e-mail will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by e-mail will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

13.4. Mobile Sierra

Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to the Federal Energy Regulatory Commission (FERC) pursuant to the provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party, or the FERC acting sua sponte shall be the "public interest" standard of review set forth in United States Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) , and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

13.5. Interpretation

The following rules of interpretation apply:

A. The term "including" means "including without limitation"; the terms "year" and "calendar year" mean the period of months from January 1 through and including December 31; the term "month" means a calendar month unless otherwise indicated, and a "day" means a 24-hour period beginning at 12:00:01 a.m. and ending at 12:00:00 midnight; provided that a "day" may be 23 or 25 hours on those days on which daylight saving time begins or ends, respectively.

B. Unless otherwise specified herein, where the consent of a Party is required, such consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably

delayed.

C. Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then exist at the applicable time to which such construction applies unless otherwise specified.

D. In the event of any conflict between the terms and conditions of this Agreement and any of the following agreements, the terms and conditions of the following agreements will control: the CMET, any CMET Project Interconnection Agreements under PG&E's Electric Rule 21 or PG&E's Wholesale Distribution Tariff, PG&E's Electric Rule 2, and any Microgrid Special Facilities Agreements.

E. Capitalized terms used in this Agreement, including the appendices hereto, have the meaning set forth in Appendix I, unless otherwise specified.

F. References in the singular include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons include partnerships, firms, companies, corporations, limited liability companies, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

G. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Words referring to market rules, activities and practice have the meaning generally ascribed to such words in California.

H. References to a particular Article, subsection, paragraph, subparagraph, appendix or attachment will, unless specified otherwise, be a reference to that Article, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

I. Any reference in this Agreement to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity succeeding to its functions.

J. All references to dollars or "$" are to U.S. dollars.

K. When an action is required to be completed on a Business Day, such action must be completed prior to 5:00 p.m. on such day, Pacific prevailing time, and actions occurring after 5:00 p.m. (such as the delivery of a Notice) will be deemed to have occurred on the following Business Day.

13.6. Recordings

No conversation between the Parties may be recorded by a Party without the express consent of the other Party.

13.7. Authorized Representatives

Each Party shall provide Notice to the other Party of the persons authorized to make or receive other Notices on behalf of such Party or to represent a Party ("Authorized Representative") and in connection with such Notices and specify the scope of their individual authority and responsibilities. Either Party may change its designation of such persons and the scope of their individual authorities and responsibilities from time to time in its sole discretion by providing Notice.

13.8. No Dedication

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. No undertaking by one Party to the other Party under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of PG&E as an independent public utility corporation or CMG Aggregator as an independent individual or entity.

13.9. Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

13.10. Taxes

A. The Parties agree to follow all applicable tax laws and regulations.

B. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PG&E's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

13.11 Audit

A. PG&E has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the CMG Aggregator, or visit the CMET Project site, to the extent reasonably necessary to verify the accuracy of any report or documentation provided to PG&E pursuant to this Agreement.

13.12 Regulatory Oversight

A. This Agreement shall be subject to changes or modifications by the Public Utilities

Commission of the State of California, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

[Note: Section 13.13 applicable solely if CMG Aggregator is a sovereign Indian tribe]

13.13 Limited Waiver of Sovereign Immunity

A. CMG Aggregator agrees to provide a limited waiver of sovereign immunity as set forth in Appendix XIII~~V~~.

14. NOTICES

14.1. Notices

Whenever this Agreement requires or permits delivery of a Notice (or requires a Party to "Notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. Notices may be sent by overnight mail or courier or e-mail. Invoices may be sent by e-mail. A Notice sent by e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a Notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Appendix VII contains the names and addresses to be used for Notices.

SIGNATURES

Agreement Execution

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its Authorized Representative as of the dates provided below:

_____*[CMG Aggregator]*_____, a _____ company	**PACIFIC GAS AND ELECTRIC COMPANY, a California corporation**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX I-A – Acronyms

CAISO - California Independent System Operator

CCA - Community Choice Aggregator

CMET - Community Microgrid Enablement Tariff

CMG - Community Microgrid

CPUC - California Public Utilities Commission

FERC – Federal Energy Regulatory Commission

IOD - Islanding Operation Date

MIS - Microgrid Island Study

MOA - Microgrid Operating Agreement

PG&E - Pacific Gas and Electric Company

PSP – Public Safety Partner

APPENDIX I-B – General Definitions

1. **Affiliate**. Affiliate of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative or agent or subsidiary of the Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, through one or more intermediaries, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.
2. **Alternative Dispute Resolution (ADR)**. ADR means processes, such as facilitation, negotiation, mediation, and early neutral evaluation (or a combination of those techniques), that help disputants resolve a conflict without a formal decision by a court or agency.
3. **Applicable Rules and Standards**. PG&E's approved tariffs, as those tariffs may be updated from time to time, including, but not limited to, PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff, CMET and PG&E's Electric Rule 21.
4. **Authorized Representative**. As defined in Section 13.7.
5. **Blue Sky Mode**. The normal mode of operation when the Community Microgrid is Interconnected to and operating in parallel with the Distribution System, is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
6. **Business Day**. Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving.
7. **CAISO**. The California Independent System Operator Corporation or any successor entity performing similar functions.
8. **CAISO Tariff**. The CAISO Fifth Replacement FERC Electric Tariff and protocol provisions, including any CAISO-published procedures or business practice manuals, as they may be amended, supplemented or replaced (in whole or in part) from time to time.
9. **Calendar Day**. Any day, including Saturday, Sunday or a Federal and State Holiday.
10. **California Public Utility Commission ("Commission" or "CPUC")**. The Public Utilities Commission of the State of California.
11. **CMET Project**. Tangible and non-tangible assets, facilities, and equipment needed to create and operate a Community Microgrid, including the CMET Project Resources, Microgrid Special Facilities, CMET Project Balance of System, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to this CMET.
12. **CMET Project Balance of System**. All of the CMET Project tangible and non-tangible assets, facilities, and equipment owned or controlled by the CMG Aggregator, other than the CMET Project Resources, necessary to meet the requirements of the CMET Project as identified in the Microgrid Islanding Study and listed in Appendix V – CMET Project

Resources and CMET Project Balance of System Facilities.

13. **CMET Project Commissioning Test**. A full scope test as defined in Appendix VIII-B performed on-site to demonstrate the CMET Project's ability to meet the operational safety and performance requirements as installed including the CMG Aggregator's ability to provide support, maintenance, and logistical requirements as needed. This test must be performed prior to Islanding Operation Date or any time interface hardware or software is changed that may affect islanding functions. CMET Project Performance Test. Test procedures to verify the CMET Project's ability to operate safely and meet the performance obligations according to the requirements specified in this Agreement. Each CMET Project Performance Test will be conducted in general accordance with the procedures set forth in the Performance Testing Technical Criteria detailed in Appendix VIII-A and Operational Protocols and Procedures detailed in Appendix XII [and as applicable: other performance test codes, depending on the technology, products, and operational limitations].

14. **CMET Project Performance Testing Technical Criteria**. A set of performance and testing requirements (criteria) developed by PG&E and defined in the Microgrid Islanding Study final report and attached as Appendix VIII-A that must be satisfied by the CMG Aggregator before the CMET Project can achieve Islanding Operation Date.

15. **CMET Project Resource(s)**. Electric generation, storage technology, and/or load management technology that the CMG Aggregator has control over consistent with relevant provisions in this Agreement to enable the CMET Project to safely and reliably operate in Island Mode. The CMG Aggregator must have at least one Grid-Forming Project Resource that has a resource controller and has grid-forming capability sufficient to allow acceptable frequency and voltage during Island Mode operation. Project Resources must comply with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation, and must be interconnected to the Distribution System within the Microgrid Boundary (either directly as front-of-the-meter Project Resources or indirectly as behind-the-meter Project Resources) pursuant to the Wholesale Distribution Tariff or PG&E's Electric Rule 21.

16. **Community Microgrid (CMG)**. As defined in PG&E's Community Microgrid Enablement Tariff.

17. **Community Microgrid Aggregator (CMG Aggregator)**. The entity that is counterparty to PG&E in this agreement. The entity that coordinates control of distributed resources, including Project Resources, consistent with relevant provisions of PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff Generator Interconnection Procedures, and PG&E's Electric Rule 21 including frequency and voltage and other power quality requirements within PG&E established control parameters to enable the CMET Project to operate in Island Mode.

18. **Community Microgrid Aggregator Parent (CMG Aggregator Parent)**. Any entity or Person that directly holds fifty percent (50%) or more of the equity interests in CMG Aggregator.

19. **Confidential Information**. As defined in Article 12 of this Agreement.

20. **Contractor**. The engineering, procurement and construction contractor and its subcontractors, as well as Seller or Seller's Affiliates Dand their subcontractors if any such entities are developing, constructing, operating or maintaining the CMET Project during the Term, and any entity or person under contract with the engineering, procurement and construction contractor and its subcontractors, for the purpose of developing, constructing, operating or maintaining the CMET Project during the Term.

21. **Contractor Safety Program Requirements**. Means all of the following:

    (a) The standards in PG&E's Contractor Safety Program Contract Requirements regarding pre-qualification requirements and safety requirements for work as if CMG Aggregator were a contractor performing high or medium risk work for PG&E thereunder, which as of the Effective Date can be found at

    https://www.pge.com/includes/docs/pdfs/b2b/purchasing/suppliers/contractorsafety/ContractorSafetyProgram_Requirements.pdf; and

    (b) The standards in Section 2.2 of the Settlement Agreement and Corrective Action Plan of Pacific Gas and Electric Company before the CPUC dated February 10, 2015 (Investigation 14-08-022).

    (c) Any additional, supplementary or successor safety standards, processes, or requirements, implemented or deemed appropriate by PG&E during the Term and applicable to CMG Aggregator, its Contractors and Subcontractors performing work related to the CMET Project.

22. **Defaulting Party**. The Party that is subject to an Event of Default.

23. **Deliverables**. Deliverables shall mean any product of Work furnished by one Party to the other including data, reports, information, manuals, computer programs, hardware, software, firmware, equipment, code, or other written, recorded, photographic or visual materials, proprietary rights, or intellectual property.

24. **Description of Operations**. The engineering report resulting from the Microgrid Islanding Study that describes the CMET Project functional operation and identifies the technical requirements for PG&E's Distribution System and the CMG Aggregator's Balance of System and Project Resources to provide the Microgrid Boundary and Island mode operation including minimum Project Resource energy production availability and capabilities. The Description of Operations will also identify the protection and control and related systems requirements for safe operation and to maintain voltage, frequency and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

25. **Designated CMET Project Operating Representative**. Designated operating representative(s) to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the CMET Project.

26. **Designated PG&E Distribution Control Center**. The PG&E location identified in of this Agreement, with operational jurisdiction over the Load Entity's Substation. The

Designated PG&E Distribution Control Center is staffed 24 hours a day.

27. **Development Conditions**. The actions that CMG Aggregator must take and provide PG&E with notice of during the Development Term.
28. **Development Milestones**. Key development activities and the agreed upon completion dates required for the development and operation of the CMET Project as set forth in Appendix III of this Agreement.
29. **Development Term**. The "Development Term" is the period commencing on the Effective Date and shall remain in effect until the CMET Project Islanding Operation Date (IOD), unless sooner terminated in accordance with Section 1.2 of this Agreement.
30. **Distribution Customer**. An end-use customer taking Distribution Service from PG&E.
31. **Distribution Provider**. PG&E, which owns, controls, and operates facilities used to provide Distribution Service to the customers within the Microgrid Boundary under this CMET.
32. **Distribution Service**. The transporting of electric power over and through various PG&E facilities owned by the Distribution Provider for delivery to a Distribution Customer.
33. **Distribution System**. PG&E's distribution system broadly consists of the stepdown transformation within substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors including service drops and meters.
34. **Distribution Upgrades**. The additions, modifications, and upgrades to PG&E's Distribution System necessary to facilitate construction and microgrid operation of the CMET Project. Distribution Upgrades do not include the CMG Aggregator's CMET Project Balance of System.
35. **Effective Date**. The later of the date upon which both Parties have executed this Agreement.
36. **Emergency**. An abnormal condition or situation that adversely affects, or potentially may adversely affect, PG&E's Electric System Integrity.
37. **Emergency Event**. As determined by PG&E in its reasonable discretion, a condition or situation requiring prompt action by PG&E (a) to maintain the reliable operation of the Distribution System; (b) to prevent or limit the loss of load or generation; (c) to maintain public safety or the safety of PG&E's personnel; (d) to protect PG&E, Customer, or third-party property; or as a Scheduled Island Mode as a preventative action ahead of impending weather events or natural disasters or in response to other unusual conditions.
38. **Event of Default**. The failure of a Defaulting Party to cure a default under this Agreement.
39. **Federal Power Act**. 16 U.S. Code Chapter 12 – Federal Regulation and Development of Power.
40. **Governmental Authorities**. Any federal, state, local or municipal government,

governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

41. **Grid Forming Project Resource(s)**. Is a Project Resource that, among other features, has the ability to (i) black start the CMET Project when in island Mode and deenergized, and (ii) provide voltage and frequency stability and control within a range acceptable to PG&E during Island Mode operation.

42. **In-Service Date**. The date upon which the CMG Aggregator, in coordination with PG&E, reasonably expects it will have received Permission to Operate the CMET Project and be ready to begin joint CMET Project Commissioning Testing.

43. **Interconnection Agreement**. The agreement and associated documents or any successor agreement and associated documentation governing the terms and conditions of the interconnection of the Project Resource(s) with PG&E's grid, including any description of the plan for interconnecting the Project Resource(s) to the grid.

44. **Island Mode**. Operation of the Microgrid by the Distribution Provider when a Microgrid that normally operates in "Blue Sky" Mode (parallel mode) is disconnected from the Distribution System at the Microgrid Islanding Point. The Distribution Provider will operate the Microgrid in Island Mode by (i) direct dispatch of CMET Project Resources within the CMET Project Microgrid Boundary, and/or (ii) by authorizing CMET Project Resources to operate within parameters specified by the Distribution Provider for voltage, frequency, and power quality.

45. **Islanding Operation Date**. Means the date stated in the "Islanding Operation Date Confirmation Letter" attached as Appendix XI-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.

46. **Islanding Operations**. The period upon which the CMG Project begins islanding operations as further defined in Section 2.2.C.

47. **Law**. Any statute, law, treaty, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which become effective during the Term; or any binding interpretation of the foregoing.

48. **Licensed Professional Engineer**. A person acceptable to PG&E in its reasonable judgment who (a) is licensed to practice engineering in California, (b) has training and experience in the power industry specific to the technology of the Project, (c) has no economic relationship, association, or nexus with CMG Aggregator or PG&E, other than to meet the obligations of CMG Aggregator pursuant to this Agreement, (d) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the CMET Project or of a manufacturer or supplier of any equipment installed at the CMET Project, and (e) is licensed in an appropriate engineering discipline for the required certification being made.

49. **Local Governmental Authority**. A California city, county, or other joint powers authority, such as a Community Choice Aggregator.

~~49.~~50. **Malicious Code**. Collectively, any malicious or unauthorized code, scripts, routines or techniques (including without limitation any virus, spyware, ransomware or other malware) that is designed to erase data or programming, or infect, impair, modify, record, take control of, disrupt, damage, destroy, disable, shut down or permit or cause unauthorized access to or misuse of a computer system or any component thereof.

~~50.~~51. **Microgrid**. An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined Microgrid Boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel (Blue Sky Mode) with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.

~~51.~~52. **Microgrid Boundary**. An electrically contiguous area beyond a Microgrid Islanding Point on the Distribution System that defines a microgrid as a single controllable entity.

~~52.~~53. **Microgrid Islanding Point(s)**. The point(s) (e.g., line recloser) owned and operated by PG&E on PG&E's Distribution System that allow(s) the microgrid to separate from and reconnect to the rest of the Distribution System.

~~53.~~54. **Microgrid Islanding Study (MIS)**. An engineering study conducted by PG&E or its agents of the microgrid operation in an Island Mode and operating mode transitions. The study shall determine the required modifications to PG&E's distribution facilities and associated cost required to support Island Mode operation and microgrid transitions while maintaining voltage, frequency, and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

~~54.~~55. **Microgrid Special Facilities**. Modifications to the Distribution Provider's distribution facilities required to operationalize the Microgrid Boundary and Island Mode such that the Microgrid is capable of maintaining voltage, frequency and power quality within the Distribution Provider's control parameters in accordance with PG&E's Electric Rule 2. This shall include all CMET Project tangible and non-tangible assets, facilities, and equipment owned or controlled by PG&E that are necessary to meet the requirements of the CMET Project as identified in the Microgrid Islanding Study.

~~55.~~56. **Microgrid Special Facilities Agreement or "Microgrid SFA"**. The agreement that describes the upgrades on the Distribution System, and at the Project Site to be installed under the terms and conditions regarding Microgrid Special Facilities (or added facilities) on file with the Commission, pursuant to PG&E's Electric Rule 2, and incorporated in Appendix IV-B.

~~56.~~57. **Non-Holiday**. Any day that is not a National Electric Reliability Council defined holiday which includes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

~~57.~~58. **Non-Project Resource(s)**. Electric generation, storage technology, and/or demand management technology within the Microgrid Boundary that are not Project Resources.

~~58.~~59. **Notice**. Unless otherwise specified in this Agreement, means a written communication which is delivered by overnight mail or courier service or electronic messaging (email), and in the manner required by Article 13, as applicable to a given communication.

~~59.~~60. **Operating Performance Requirements**. As defined in Section 3.5 of this Agreement.

~~60.~~61. **Operating Performance Requirements, Procedures and Protocols**. As described and defined in Appendix XII.

~~61.~~62. **Operating Term**. The Operating Term is the period commencing on the CMET Project Islanding Operation Date, as such term is defined in Section 2.2 and ending upon expiration or termination of this Agreement.

~~62. **Operating Term Performance Assurance**. As defined in Appendix XIII.~~

63. **Participating Transmission Owner**. An entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid.

64. **Permission to Island**. The permission granted by PG&E to a CMG Aggregator to operate a CMET Project when the CMET Project is ready to maintain voltage, frequency and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2 in Island Mode and safely transition from Blue Sky Mode to Island Mode, operate in Island Mode and transition back to Blue Sky Mode.

65. **Permit**. Any waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, license or similar order of or from, or filing or registration with, or notice to, any Governmental Authority that authorizes, approves, limits or imposes conditions upon a specified activity.

66. **Personal Information**. Any data or information defined as personal information in California Civil Code Section 1798.140(o) and any information that can be used to directly or indirectly identify a PG&E customer or employee.

67. **PG&E Data**. As defined in Appendix VI of this MOA.

68. **PG&E Electric System Integrity**. The state of operation of PG&E's electric system in a manner that is deemed to minimize the risk of injury to persons and/or property and enable PG&E to provide adequate and reliable electric service to its customers.

69. **PG&E Interconnection Handbooks**. PG&E's manual that provides information on how to interconnect generating facilities or distributed generation to PG&E's electrical Distribution System as currently in effect at https://www.pge.com/en_US/large-business/services/alternatives-to-pge/distribution-handbook.page

70. **PG&E Process, Procedures and Standards**. Practices, policies, methods, codes and

acts engaged in or approved by PG&E and applicable to the CMET Project during the relevant time period, or any of the practices, policies, methods, codes and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, that could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety and expedition.

71. **Project Implementation Plan**. A detailed description of actions that demonstrate how the CMET Project shall be developed to meet Milestones and operational requirements such as the Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, and operational and maintenance procedures and protocols for the CMET Project.

72. **Project Safety Plan**. CMG Aggregator's written plan that includes the Safeguards and plans to comply with the safety requirements and shall include the items that are generally outlined in Appendix IX.

73. **Project Safety Plan Documents**. Information and documentation listed in Appendix IX.

74. **Public Safety Partner (PSP)**. As defined on pages 84-85 of California Public Utilities Commission Decision 21-06-034, as that Decision or definition may be updated or otherwise revised by the California Public Utilities Commission.

75. **Regulatory Authority**. A government agency or body that regulates businesses or other entities under their jurisdiction in the public interest.

76. **Safeguard**. Any procedures, practices, or actions with respect to the CMET Project, a Site or Work for the purpose of preventing, mitigating, or containing foreseeable accidents, injuries, damage, release of hazardous material or environmental harm.

77. **Safety Attestation**. A written attestation or certification from a Licensed Professional Engineer substantially in the form attached hereto as Appendix XI-A.

78. **Safety Requirements**. Prudent Electrical Practices, CPUC General Order No. 167, Contractor Safety Program Standards, and all applicable requirements of Law, the Utility Distribution Company, the Transmission Provider, Governmental Approvals, the CAISO, CARB, NERC and WECC.

79. **Scheduled Island Mode**. A Microgrid operating in Island Mode that is scheduled and coordinated between the CMG Aggregator and PG&E.

80. **Site(s)**. The real property or properties on which one or more CMET Project Resources or CMET Project Balance of System comprising the CMET Project is located, as identified in Appendix II and as may be updated from time to time.

81. **State**. The State of California.

82. **System Change**. Any change in Project Resources, Non-Project Resources, or customer loads within the Microgrid Boundary, or other affected systems outside the Microgrid Boundary that has a material impact on the ability of a CMET Project to function in Island Mode.

83. **Term**. The Development Term AND the Operating Term of this MOA.

84. **Transmission Provider**. Means the CAISO.

85. **Tribal Governmental Authority.** ~~In this document refers to t~~The governing authority, having jurisdiction as to the matter in question, for a group identified as a "California Native American tribe", meaning a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. See Cal. Pub. Res. Code § 21073. California Native American tribes include both federally recognized tribes and tribes that are not recognized by the federal government.

~~84.~~86.

~~85.~~87. **Unscheduled Island Mode**. A Microgrid operating in Island Mode that is not scheduled or coordinated between the CMG Aggregator and PG&E in response to an Emergency Event on the Distribution System.

~~86.~~88. **Work**. Means (a) work or operations performed and furnished by CMG Aggregator or on a CMG Aggregator's behalf pursuant to the terms under this agreement; and (b) materials, parts or equipment furnished in connection with such work or operations; including (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "a Party's work"; and (ii) the providing of or failure to provide warnings or instructions.

APPENDIX II – CMET Project Microgrid Islanding Study

{ATTACH COMPLETED MIS DOCUMENT}

CMG Aggregator shall incorporate the completed Microgrid Islanding Study final report into this Appendix II. The MIS will include but may not be limited to the following:

1. Project Description
2. Summary of Study Observations and Conclusions
3. Study Assumptions
4. Power Flow and Voltage Analysis (inclusive of minimum Project Resource reserve capacity and energy to support island operation)
5. Power Quality Studies
6. Protection Studies
7. Transient Studies
8. Requirements Prior to Island Inspection and Operation
    a. Draft Description of Operations (Final Description of Operations to be included in Appendix XII in accordance with Section 2.1.B(a)
    b. Performance Testing Technical Criteria (Appendix VIII-A)

APPENDIX III-A – CMET Project Development Milestones

Item	Development Milestone	Action	Milestone Date	Responsible Party
1	Project Safety Plan and Emergency Response Plan – Appendix IX-A&B	Submit		CMG Aggregator
2	Safety Attestation and Multiple Use Attestation – Appendix X-A&B	Signed		CMG Aggregator
3	Commissioning Test Plan – Appendix VIII-B	Submitted		CMG Aggregator
4	Operating Performance Requirements, Procedures and Protocols – Appendix XII	Submitted		CMG Aggregator
5	Request to Commence Commission Testing – Appendix XI-A	Submitted		CMG Aggregator
6	CMET Project Resource Final Permission to Operate Letter	Issue		Distribution Provider & CMG Aggregator
7	Commissioning Tests	Complete		Distribution Provider & CMG Aggregator
8	Provide written approval to Interconnection Customer for the operation of the microgrid and Islanding Operation Date (IOD)	Issue		Distribution Provider

{Development Milestones shown for illustration. Specific Development Milestones to be developed by Parties}

1. Satisfaction of Development Milestones

   The satisfaction of each Development Milestone requires that all tasks identified specifically in the Project Implementation Plan, including tasks preceding the Development Milestones listed above, to be completed in a timely fashion. Upon successful completion of the Commissioning Tests, Distribution Provider will provide written approval to Interconnection Customer for the operation of the microgrid and an Islanding Operation Date (IOD). Such written approval will not be unreasonably conditioned, delayed, or withheld.

Agreed to by:

For PG&E: _____ Date: _____

For the CMG Aggregator: _____ Date: _____

APPENDIX III-B - CMET Project Implementation Plan

{ATTACH COMPLETED CMET PROJECT IMPLEMENTATION PLAN DOCUMENT}

The Project Implementation Plan (PIP) will include Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, operational and maintenance procedures and protocols for the CMET Project. The PIP may incorporate by reference any implementation plan(s) associated with CMET Project Resource Interconnection(s) and Special Facilities and Microgrid Special Facilities for purposes or presenting an overall view of the CMET Project development; however, this Agreement does not govern those interconnection and associated special facilities schedules, Development Milestone dates or commitments.

A Party shall not make any material modifications to the CMET Project Implementation Plan or Development Milestones as presented in Appendix III without the prior review and written consent of the other Party, which consent shall be in Parties reasonable discretion.

As of the Effective Date, parties agree to develop within ninety (90) days, a CMET Project Implementation Plan ("PIP") that will identify responsible parties, identify workstreams, reporting requirements, and dependencies. The implementation plan may include but not be limited to the following components:

1.) Component Plan Development
    a. CMET Project Operational Review & Commissioning Test Plan
        i. Commissioning Testing plan and schedule associated with CMET Project Resource Interconnections
            1. Existing Resources
            2. CAISO New Resource Implementation Plan
        ii. Commissioning Testing Plan and schedule for CMET Balance of System pursuant to Appendix VIII
    b. Operating Performance Requirements, Procedures and Protocols which include CMET Project Description of Operations, identify events and scenarios:
        i. Planned Event
        ii. Unplanned event
        iii. Failsafe
    c. Communications plan and plan of action for each scenario/event type
    d. CMET Project Safety Plan
    e. CMET Project Emergency Response Plan
2.) Development and Testing Schedule
    a. Microgrid Special Facilities and Interconnection development and testing schedule
    b. CMET Balance of System development and testing schedule
    c. CMET Project Resources development and testing schedule
3.) Project Management
    a. PMO approach and plan
    b. Progress meetings and reports
    c. Overall project plan management and dependencies
    d. Development & Implementation risk identification and mitigation

APPENDIX IV-A – CMET Project Resource Interconnection Agreement

{ATTACH EXECUTED CMET PROJECT RESOURCE INTERCONNECTION AGREEMENT(S) HERE}

APPENDIX IV-B – Microgrid Special Facilities Agreement

{ATTACH EXECUTED MICROGRID SPECIAL FACILITIES AGREEMENT. THE FOLLOWING AGREEMENT IS A MODIFIED VERSION OF ELECTRIC FORM NO. 79-255 FOR CMET PROJECTS ELIGIBLE FOR SPECIAL FACILITY COST-OFFSETS. OTHERWISE, CMG AGGREGATOR TO USE PG&E ELECTRIC RULE 2 FORM NO 79-255. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XIIIV OF THE MICROGRID OPERATING AGREEMENT}

MICROGRID SPECIAL FACILITY AGREEMENT FOR CMET PROJECT ELIGIBLE FOR COST-OFFSETS

At the request of _____
(Applicant), PACIFIC GAS AND ELECTRIC COMPANY (PG&E) hereby agrees, as an accommodation, to install within a reasonable time, or allocate for Applicant's use at

_____

_____

State of California, certain facilities consisting of items listed in Appendix A ("Microgrid Special Facilities"), at an estimated total additional installed cost of $ _____ over and above the cost of standard facilities which PG&E would normally provide or allocate for regular service in accordance with its tariffs on file with and authorized by the California Public Utilities Commission (Commission), subject to the following terms and conditions:

1. Where pursuant to any final decision or order of the California Public Utilities Commission this CMET Project is eligible for an offset of the special facilities costs incurred by PG&E to construct, own, and maintain the Microgrid Special Facilities described herein, Applicant is exempted from paying the advance or ongoing costs of the special facilities to the extent provided in said final decision or order, except as those costs are reflected in the distribution rates charged to all customers in Applicant's customer class. This provision shall not reduce or waive PG&E's ability to seek recovery of costs related to a terminated CMET Project from Applicant pursuant to Paragraph 6.
2. Where it is necessary to install Microgrid Special Facilities on Applicant's premises, Applicant hereby grants to PG&E:
    (a) the right to make such installation on Applicant's premises along the shortest practical route thereon and of sufficient width to provide legal clearance from all structures now or hereafter erected on Applicant's premises for any facilities of PG&E; and,
    (b) the right of ingress to and egress from Applicant's premises at all reasonable hours for any purposes reasonably connected with the operation and maintenance of the Microgrid Special Facilities.
3. Where formal rights of way or easements are required on and over Applicant's property or the property of others for the installation of the Microgrid Special Facilities, Applicant understands and agrees that PG&E shall not be obligated to install the Microgrid Special Facilities unless and until any necessary permanent rights of way or easements, satisfactory to PG&E, are granted without cost to PG&E.
4. PG&E shall not be responsible for any delay in completion of the installation of the Microgrid Special Facilities resulting from shortage of labor or materials, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or Commission, delay in obtaining necessary rights of way and easements, act of God, or any other cause or condition beyond the control of PG&E. PG&E shall have the right, in the event it is unable to obtain materials or labor for all of its

construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond PG&E's control.

5. In the event that PG&E is prevented from completing the installation of the Microgrid Special Facilities for reasons beyond its control within twelve (12) months following the date of this Agreement, PG&E shall have the right to terminate this Agreement upon thirty (30) days' written notice to Applicant.
6. If this Agreement is terminated as set forth in paragraph 5, the provisions of paragraph 11 shall be applicable, based on that portion of the Microgrid Special Facilities then completed, if any, including charges for any expense incurred by PG&E for any engineering, surveying, right of way acquisition expenses and other associated expenses incurred by PG&E for that portion of the Microgrid Special Facilities not installed or, in PG&E's sole judgment, not useful in supplying permanent service to PG&E's other customers.
7. Microgrid Special Facilities provided by PG&E hereunder shall at all times be and remain the property of PG&E.
8. As provided in PG&E's applicable Electric Rule 14 or Gas Rules 14 and 21, copies attached, Applicant understands that PG&E does not guarantee electric or gas service to be free from outages, interruptions or curtailments and that the charges for the Microgrid Special Facilities represent the additional cost associated with providing the Microgrid Special Facilities rather than for a guaranteed level of service or reliability.
9. If Applicant requests PG&E to alter or rearrange Special Facilities, including, but not limited to the conversion of overhead facilities to underground, solely for Applicant’s convenience or purposes and not in order to safely and reliably construct the Microgrid in a least-cost manner, Applicant shall be given the option to pay PG&E for the additional Special Facilities.
10. This Agreement shall be effective when executed by the parties hereto and shall remain in effect until terminated by either party on at least thirty (30) days' advance written notice.
11. Upon discontinuance of the use of any Microgrid Special Facilities due to termination of service, termination of this Agreement, or otherwise before or within 5 (five) years of project completion:
    (a) Applicant shall pay to PG&E on demand (in addition to all other monies to which PG&E may be legally entitled by virtue of such termination) a facility termination charge defined as the estimated installed cost, plus the estimated removal cost, less the estimated salvage value for the Special Facilities to be removed, as determined by PG&E in accordance with its standard accounting practices.
    (b) PG&E shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Microgrid Special Facilities located on the Applicant's premises;
    (c) PG&E may, at its option, alter, rearrange, convey or retain in place any portion of the Microgrid Special Facilities located on other property off Applicant's premises. Where all or any portion of the Microgrid Special Facilities located off Applicant's premises are retained in place and used by PG&E to provide permanent service to other customers, an equitable adjustment will be made in the facility termination charge.
12. Applicant may, with PG&E's written consent, assign this Agreement if the assignee thereof will agree in writing to perform Applicant's obligations hereunder. Such assignment will be deemed to include, unless otherwise specified therein, all of Applicant's rights to any refunds which might become due upon discontinuance of the use of any Microgrid Special Facilities.
13. This agreement shall be subject to all of PG&E's applicable tariffs on file with and authorized by the Commission and shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction.

Dated this _____ day of _____, 20____.

This agreement is effective when accepted and executed by PG&E.

	PACIFIC GAS AND ELECTRIC COMPANY
Applicant	
Authorized by (Print)	Authorized by (Print)
Signature	Signature
Title	Title
Date	Date

MAILING ADDRESS:

_____

_____

Appendix A: List of CMET Project Special Facilities

The detailed estimation of costs below includes interconnection and/or system upgrades required to interconnect the microgrid project to PG&E's distribution system, but does not include any in-plant facilities constructed, owned and operated by the Applicant.

Item	Make/Model	Cost	Cost of Ownership	Eligible for 100% Cost-Offset (Yes/No)

APPENDIX IV-C – Other Interrelated CMET Project Agreements

{ATTACH MIP GRANT AGREEMENT OR OTHER RELEVANT AGREEMENTS}

APPENDIX V – CMET Project Resources and CMET Project Balance of System Facilities

{ATTACH COMPLETE LIST OF CMET PROJECT RESOURCES AND CMET PROJECT BALANCE OF SYSTEM FACILITIES}

SAMPLE TABLE

CMET PROJECT RESOURCES

Location	Description	Mfg	Model Number	Owner
FIELD ENCLOSURE	BESS INVERTERS			CMG Aggregator
FIELD ENCLOSURE	PV ARRAY			CMG Aggregator
FIELD ENCLOSURE	LI-ION BATTERY			CMG Aggregator
FIELD ENCLOSURE	BESS SITE MASTER CONTROLLER			CMG Aggregator
FIELD ENCLOSURE	INTERNAL FIELD SWITCH			CMG Aggregator
FIELD ENCLOSURE	BATTERY METER			CMG Aggregator
FIELD ENCLOSURE	SURGE ARRESTER			CMG Aggregator
FIELD ENCLOSURE	REMOTE I/O UNIT			CMG Aggregator
FIELD ENCLOSURE	STEP UP TRANSFORMER (PAD MOUNT)			CMG Aggregator

CMET PROJECT BALANCE OF SYSTEM

Location	Description	Mfg	Model Number	Owner
FTM CMG AGGREGATOR SWITCHGEAR	PRIMARY PROTECTIVE RELAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SECONDARY PROTECTIVE RELAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	LOCAL HMI			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	HMI MONITOR AND KEYBOARD			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SATELLITE CLOCK			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	GENERATION CONTROLLER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	ANNUNCIATOR			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SECURITY GATEWAY			CMG Aggregator

FTM CMG AGGREGATOR SWITCHGEAR	INTERNAL NETWORK SWITCH			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO METER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	ETHERNET TRANSCEIVER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	BESS METER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO ECN ROUTER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO ECN SWITCH (ATT FIBER)			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO SECURITY GATEWAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO INTERNAL SWITCH			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CELLULAR INTERNET GATEWAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	GENERATION CIRCUIT BREAKER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	STATION POWER ATS			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	POWER DISTRIBUTION UNIT			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	BESS ISLANDING CONTROLLER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	FIBER OPTIC TRANCEIVER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	DC POWER SUPPLY			CMG Aggregator

APPENDIX VI – Mutual Non-Disclosure Agreement

{ATTACH EXECUTED NDA HERE. THE FOLLOWING IS AN EXAMPLE OF STANDARD NDA TERMS; PG&E RESERVES THE ABILITY TO UPDATE THESE TERMS. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XIIIV OF THE MICROGRID OPERATING AGREEMENT }

MUTUAL NONDISCLOSURE AGREEMENT

This MUTUAL NONDISCLOSURE AGREEMENT ("**NDA**"), by and between Pacific Gas and Electric Company, a California corporation ("**PG&E**"), and _____ a _____ ("**Company**") (together the "**Parties**" and each individually a "**Party**"), is effective as of the latest signature date below (the "**Effective Date**").

WHEREAS, PG&E is an investor-owned utility that provides gas and electric service to millions of customers throughout Northern and Central California;

WHEREAS, _____is a _____ headquartered in _____, and is exploring the development of a microgrid, developing a microgrid, or has developed and is maintaining a community microgrid pursuant to PG&E's Community Microgrid Enablement Tariff ("**CMET"**);

WHEREAS, in support of those efforts, the Parties expect that each Party may disclose to and receive from the other Party some amount of Confidential Information, as defined herein;

WHEREAS, the Parties recognize that the development of microgrids is in the public's interest; and

WHEREAS, each Party wishes to protect, use, handle, and safeguard the Confidential Information that it receives from the other Party in compliance with law and in accordance with the duties and responsibilities set forth herein.

NOW THEREFORE, the parties agree as follows:

1. **Purpose**. The purpose of this Agreement is to permit each Party to transmit or exchange Confidential Information to or with the other Party hereto for the purpose of evaluating and reviewing such Information in connection with the potential or actual development, operation and maintenance of a microgrid pursuant to PG&E's CMET ("Purpose"), and for no other purpose. The Parties mutually agree that development of microgrids is in the public's interest and that the Purpose of this Agreement justifies maintaining the confidentiality of their respective Confidential Information.

2. **Confidential Information.** "**Confidential Information**" as used herein shall mean any non-public proprietary or confidential data, information and other materials including those regarding the products, services or business of the disclosing party (the "**Disclosing Party**"), its parent company, its subsidiaries or affiliates (and/or if either Party is bound to protect the confidentiality of any third party, of such third party) provided by or made available by the Disclosing Party to the receiving

party (the "**Receiving Party**") where such information is marked or otherwise communicated as being "proprietary" or "confidential" or the like, or where such information should, by its nature, regardless of the existence of any markings, be reasonably considered to be confidential and/or proprietary. Without limiting the foregoing, Confidential Information includes (i) all confidential and proprietary documents, records, reports, agreements and associated documents; (ii) any and all information pertaining to PG&E's electric distribution and transmission facilities; (iii) all technical, financial and business information of any kind; (iv) all written procedures; (v) all data, specifications, technology, ideas, know-how, improvements, maps, technical drawings, inventions (whether or not patentable or copyrightable), or trade secrets; and (vi) all Personal Information belonging to the Disclosing Party. Confidential Information does not include information which: (a) is already known to the Receiving Party on a non-confidential basis prior to the disclosure by Disclosing Party; (b) becomes publicly available without breach of the confidentiality obligations of this NDA by Receiving Party or its representatives; (c) is approved for release without confidentiality obligations by written authorization of the Disclosing Party; (d) is rightfully obtained by Receiving Party from a third party without restriction as to disclosure; (e) is developed independently by Receiving Party without use of or access to Disclosing Party's Confidential Information.

[For public entity counterparties: Furthermore, and consistent with the Purpose of the Agreement, the Parties agree that they are sharing Confidential Information to serve the public's interest and that this Purpose clearly outweighs publicly disclosing such Confidential Information. Accordingly, the Parties agree that Disclosing Party's Confidential Information is exempt from disclosure pursuant to the California Public Records Act, California Government Code § 6250, et seq., and other federal, state, and municipal public disclosure laws, including but not limited to the Brown Act, California Government Code § 54950, et seq., and shall remain confidential as set forth in Paragraph 9 of this Agreement, entitled "Term and Termination"]

3. **Processing Personal Information.** "**Personal Information**" as used herein shall mean any information provided by PG&E, its subsidiaries, affiliates, agents, officers, directors, current and former employees, or customers, to Company that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual, or as the "personal information" or "personal data" or such similar term is defined under applicable data privacy and protection laws. In the event Personal Information related to its employees, customers or other individuals is disclosed to Company, the Parties agree that the provisions detailed in the Personal Data Processing Addendum, attached hereto as Appendix A, shall apply. In the event of any conflict with regard to Personal Information between the general terms of this Agreement and Appendix A, the terms of Appendix A will govern.

4. **Use and Nondisclosure of Confidential Information.** Receiving Party agrees to keep any Confidential Information made available or provided to it as confidential and proprietary and shall treat such Confidential Information in the same manner as it treats is own similar proprietary and confidential information, but in no case will the degree of care be less than reasonable care. The Receiving Party shall use the Confidential Information only in performing its obligations or to exercise its rights in connection with the Purpose. The Receiving Party shall not sell, share or otherwise disclose Confidential Information to any third party (except as authorized under the NDA or applicable law) without the Disclosing Party's express written consent. The Receiving Party shall disclose Confidential Information only to those employees and contractors of Receiving Party who have a need to know such information for the purposes of performing its obligations or exercising its rights in connection with the Purpose, and such employees and contractors must be bound by an NDA or have entered into agreements with Receiving Party containing confidentiality provisions covering the Confidential Information with terms and conditions at least as restrictive as those set forth in this NDA.

The Parties further agree that this Agreement shall not be construed to limit either Party's right to

independently develop or acquire products without use of or reference to the other Party's Confidential Information. The Disclosing Party acknowledges that the Receiving Party may currently or in the future develop information internally, or receive information from other parties, that is similar to the Confidential Information. Accordingly, nothing in this Agreement will be construed as a representation or agreement that the Receiving Party will not develop or have developed products, concepts, systems, or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Confidential Information provided that the Receiving Party does not violate any of its obligations under this Agreement in connection with such development.

5. **Security Measures**. The Receiving Party shall implement reasonable administrative, technical and physical security measures to safeguard the Confidential Information it receives. These safeguards shall include, but not be limited to: (a) written policies regarding information security, disaster recovery, third-party assurance auditing, penetration testing; (b) password protected workstations at Receiving Party's premises, any premises where services are being performed and any premises of any person who has access to such Confidential Information, and (c) encryption of Confidential Information.

6. **Disclosures Required by Law**. If any Confidential Information is required to be disclosed by law, rule, regulation, court of competent jurisdiction or governmental order, then to the extent permitted by applicable law, the Receiving Party shall advise the Disclosing Party of the Confidential Information required to be disclosed promptly upon learning thereof in order to afford the Disclosing Party (at the Disclosing Party's sole cost and expense) a reasonable opportunity to contest, limit or assist the Receiving Party in crafting the disclosure, and then such disclosure shall be made only to the extent necessary to satisfy such requirements. Notwithstanding the foregoing, the Parties recognize that PG&E is a regulated utility and that its regulators have broad rights to request information from PG&E and from time-to-time PG&E may have to disclose certain Confidential Information to its regulators (e.g., the California Public Utilities Commission (CPUC) and the Federal Energy Regulatory Commission (FERC)). In that event, PG&E will disclose such information subject to the regulators' respective confidentiality rules.

7. **Unauthorized Disclosures**. The Receiving Party shall promptly notify the Disclosing Party in writing of any unauthorized access or disclosure of Confidential Information. The Receiving Party shall take reasonable measures within its control to stop the unauthorized access or disclosure of Confidential Information and to prevent recurrence. The Parties agree that a breach of this NDA would constitute irreparable harm and significant injury to the Disclosing Party. The Disclosing Party therefore shall have the right to seek from any competent civil court, immediate temporary or preliminary injunctive relief enjoining any breach or threatened breach of this NDA.

8. **Return or Destruction of Confidential Information.** All Confidential Information disclosed by Disclosing Party to Receiving Party remains the property of the Disclosing Party, and Receiving Party shall return or destroy all Confidential Information, including any copies of Confidential Information in its or its agents' possession upon the termination of this NDA or otherwise at the Disclosing Party's request. Within fifteen (15) days of receiving such request from the Disclosing Party, the Receiving Party shall comply with the request and provide written certification, signed by the Receiving Party, confirming the Receiving Party's compliance with the return or destruction of all Confidential Information as set forth in this provision. Notwithstanding the foregoing, the Receiving Party may retain one copy of Confidential Information for purposes of complying with its legal obligations or consistent with Receiving Party's backup retention and recovery purposes, provided that the obligations set forth in this NDA apply to any retained Confidential Information.

9. **Term and Termination.** This NDA shall be effective from the Effective Date, provided however, that either Party may terminate this NDA by giving the other Party thirty (30) calendar days' notice in writing of its intention to terminate this NDA. Termination shall not abrogate either Party's obligations under this NDA for Confidential Information received prior to the date of termination.

10. **Notices**. Any notice required to be sent or given under this Agreement will be sent via electronic mail, addressed as follows:

PG&E: Name: _____ E-Mail: _____ Phone: _____	_____ Name: _____ E-Mail: _____ Phone: _____

11. **Communications and Media.** Neither Party will disclose any information or make any news release, advertisement, public communication, response to media inquiry or other public statement regarding this Agreement, the Confidential Information disclosed, the Purpose and/or potential commercial relationship between the Parties, or the performance hereunder without the prior written consent of the other Party. Subject to Paragraph 5, neither Party will make any reference to the other Party or to the existence of this Agreement in any advertising or other publication (except for confidential, internal company publications), without the prior written consent of the other Party, and neither Party will associate or in any way connect its name, trademark or any other intellectual property right to any name, trademark or any other intellectual property right of the other Party without the other Party's prior written consent. The fact that the Parties have entered into this Agreement does not constitute, nor does it imply in anyway, endorsement by one Party of the other, and neither Party will indicate or imply that the other Party endorses, recommends, or vouches for it in any form of written, verbal, or electronic advertisement, communication, or any other business development effort, without the other Party's prior written consent.

12. **No License**. No license or proprietary rights are granted by disclosure of any Confidential Information under this NDA. For avoidance of doubt, nothing in this NDA is intended to grant any rights to any Receiving Party under any patent, copyright, trade secret or other intellectual property right nor does this NDA grant any Receiving Party any rights in or to the Confidential Information, except the limited right to use the Confidential Information solely for the Purpose.

13. **Compliance with Applicable Law**. The Receiving Party agrees to comply with all applicable laws governing the protection of the Confidential Information.

14. **Indemnification.** The Receiving Party shall indemnify the Disclosing Party against any and all actions, claims, liabilities, costs, damages, charges and expenses incurred in connection with or arising out of the Receiving Party's use of Confidential Information.

15. **Assignment.** Neither Party shall assign this NDA nor any Confidential Information received from Disclosing Party pursuant to this NDA without Disclosing Party's prior written consent. This NDA shall be binding upon each Party, their successors, and assigns.

16. **No Warranty**. All Confidential Information is provided "as is" without any warranties, express, implied, or otherwise, regarding the accuracy or completeness of any Confidential Information disclosed by the Disclosing Party to the Receiving Party.

17. **Severability and Waiver**. The covenants and agreements set forth in this NDA are each deemed separate and independent, and if any such covenant or agreement is determined by any court of competent jurisdiction or arbitrator/mediator to be invalid or unenforceable for any reason, the Parties shall negotiate an equitable adjustment in the provisions of this NDA with a view toward effectuating the purpose of this NDA. The invalidity or unenforceability of any of the provisions, or application of any of the provisions, of this NDA will not affect the validity or enforceability of any of the remaining provisions of this NDA.

18. **Entire Agreement.** This NDA contains the entire understanding between the Parties with respect to Confidential Information received hereunder. This NDA has been negotiated by both Parties and shall not be strictly construed against either Party. No change, modification, extension, termination, or waiver of this NDA shall be made effective unless in writing and signed by an authorized representative of each Party.

19. **Governing Law**. This NDA shall be construed and interpreted in accordance with the laws of the State of California. Any controversy, dispute, issue, or claim arising out of or in any way relating to this NDA which cannot be amicably settled without court action shall be litigated in a California State Court of competent jurisdiction; or if jurisdiction over the action resides in the federal courts, then in a Federal Court of competent jurisdiction situated in the State of California.

20. **Counterparts**. This NDA may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same instrument. The Parties agree that electronic signatures may be used for execution of the NDA. The email, PDF or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and electronic copies of the executed NDA shall be deemed to constitute duplicate originals.

21. **Remedies.** Notwithstanding any other term of this NDA, it is expressly agreed that a breach of this NDA will cause irreparable harm to the Disclosing Party and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the Disclosing Party will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any provisions of this NDA. In any dispute between the Parties arising out of or relating to the NDA, the prevailing party shall be entitled to recover from the opposing party his or its attorneys' fees and costs.

IN WITNESS HEREOF, and intending to be legally bound hereby, the Parties hereto have caused this NDA to be executed by their duly authorized representatives as of the Effective Date.

[COMPANY]	**PACIFIC GAS & ELECTRIC COMPANY**
Signature:	Signature:

Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Appendix A

PERSONAL DATA PROCESSING ADDENDUM

This Personal Data Processing Addendum ("**DPA**") amends, in accordance with the terms set forth below, all agreements between the Parties, pursuant to which Company receives and processes Personal Information (as defined below) and to clarify and confirm Company's obligations to safeguard and maintain the security of the Personal Information it collects from or on behalf of PG&E related to employees, dependents and beneficiaries, consultants, workers, visitors, shareholders, and/or customers of PG&E and its subsidiaries and affiliates.

1. **DEFINITIONS**. As used in this DPA, the following capitalized terms shall have the meanings provided in this section. Capitalized Terms used in this DPA, but not defined below have the meaning given to them in the Parties' Agreement.

Agreement. "Agreement" means the Mutual Non-Disclosure Agreement by and between PG&E and Company.

Personal Information. "Personal Information" means any information provided by PG&E, its subsidiaries, affiliates, agents, officers, directors, current and former employees, or customers, to Company and that identifies, relates to, describes, is reasonably capable of being associated with or could reasonably be linked, directly or indirectly, with a particular individual. "Personal Information" includes "personal information," "personal data" or other such similar terms as they are defined under applicable Privacy Laws.

Privacy Laws. "Privacy Laws" are all applicable laws, rules, regulations, directives and governmental requirements in any jurisdiction in which Company or Company operates and relating in any way to the privacy, confidentiality, or security of Personal Information processed by Company, including, but not limited to the California Consumer Privacy Act of 2018 ("CCPA") and the California Privacy Rights Act of 2020 ("CPRA").

2. **CONTROL OF PERSONAL INFORMATION**. PG&E shall retain all ownership and control over the Personal Information disclosed to Company. PG&E also has the exclusive authority to determine the purposes of processing of all Personal Information by Company.

3. **LIMITED USE OF PERSONAL INFORMATION**. At all times during the term of this DPA and thereafter, Company shall collect (including, without limitation, caching or storing), access, use, disclose, process or retain Personal Information solely for the purpose of rendering the contracted services to PG&E and not for any other purpose. Company shall not sell, share or otherwise disclose any Personal Information to any third party except as expressly permitted herein. Company shall not use any Personal Information to violate or attempt to violate the security of PG&E's systems, or any third party networks, system, server, website, application or account.

4. **ADDITIONAL RESTRICTIONS.** Company shall not: (i) sell or share Personal Information or (ii) collect, retain, use, or disclose Personal Information for any purpose other than for the specific purpose of performing the services specified in the Agreement. For avoidance of doubt, Company shall not collect, retain, use, or disclose Personal Information for any commercial purpose other than providing the services specified under the Agreement unless otherwise

permitted under applicable law. For purposes of this section, the terms "sell," "commercial purposes" and "personal information" shall have the meanings as defined under the CCPA and "share" shall have the meaning as defined under the CPRA.

5. **AGENTS**. Company shall not contract any of its rights or obligations hereunder, or share, transfer, disclose or otherwise provide access to any Personal Information to any contractors, subcontractors, third-party service providers, or agents (collectively, "Agents") without the prior written consent of Company. Where Company contracts any rights or obligations, or provides access to Personal Information, to an Agent, then (a) Company shall enter into a fully-executed written agreement with each Agent that imposes obligations on the Agent that are at least as restrictive as those imposed on or required of Company under this DPA; (b) Company shall not be relieved of any of its obligations under this DPA; and (c) Company shall remain liable and responsible for the performance or non-performance of its Agents with respect to the Agent's collection, use, disclosure, storage, processing and disposal of Personal Information.

6. **COMPLIANCE WITH LAW**. Company agrees that its collection, use, disclosure, storage, processing and disposal of Personal Information shall at all times comply with all applicable Privacy Laws and any representations made by Company to any person from whom such Personal Information was collected. Company further agrees that it will reasonably cooperate with PG&E's efforts to comply with PG&E's legal obligations related to its collection, processing, use or disclosure of Personal Information.

7. **DATA SECURITY**. Company shall, and shall contractually require and cause any Agents to, implement and maintain security procedures and practices for Personal Information, including without limitation, establishing, implementing and maintaining an Information Security Program as set forth in this Section 7, that will: (i) comply with all applicable Privacy Laws and industry standards; (ii) ensure the security and confidentiality of Personal Information, (iii) protect against any anticipated or actual threats or hazards to the security or integrity of Personal Information, and (iv) prevent unauthorized access, acquisition, destruction, use, modification and/or disclosure of Personal Information. Company and its Agents shall each ensure that its security infrastructures are consistent with high industry standards for virus protection, firewalls and intrusion prevention technologies to help prevent Company's network, systems, servers and applications from unauthorized access. Company will restrict and track access to Personal Information and PG&E systems at all times to only those employees and Agents whose access is essential to performing the services for which Company has been contracted, and such employees and Agents will be required (including during the term of their employment or retention and thereafter) to protect Personal Information in accordance with the requirements of this DPA. Company shall segregate Personal Information from all other Company and third party data. Company must ensure proper user authentication for all employees, and Agents with access to Personal Information, including, without limitation, by assigning each employee or Agent unique access credentials for access to any system on which Personal Information can be accessed and prohibiting employees and Agents from sharing such access credentials. Company shall ensure that upon termination of any employee or Agent, the terminated person's access to Personal Information and PG&E systems must be immediately revoked.

8. **INFORMATION SECURITY PROGRAM**. Company shall conduct appropriate training and awareness campaigns designed to educate Company's employees of their responsibilities in maintaining the confidentiality and security of Personal Information and for the reporting of incidents involving unauthorized access to or use of Personal Information, consistent with all

Privacy Laws and the terms of this DPA. Company represents and warrants that it has implemented and will maintain a variety of administrative, organizational and technical measures ("Information Security Program) that are consistent with industry standards which may include but are not be limited to ISO 27001/2, NIST, OWASP, and other similar standards that are designed to reasonably and appropriately protect the confidentiality, integrity mid availability of information systems or data and which measures are set forth below. Company shall review its Information Security Program on at least an annual basis and evaluate whether it needs to be modified to comply with Privacy Laws or industry practices. Company shall notify PG&E of any material changes to Company's Information Security Program as it relates to the security and integrity of Personal Information, within thirty (30) days of any such change. Notwithstanding the foregoing, at all times, Company's Information Security Program shall include the following:

a. Organizational management and dedicated staff responsible for the development, implementation and maintenance of Company's Information Security Program.

b. Audit and risk assessment procedures designed for the purposes of periodic review and assessment of risks to Company's organization, for monitoring and maintaining compliance with Privacy laws, and for reporting the condition of its information security and compliance to Company senior management.

c. Data security controls which include at a minimum, but may not be limited to, logical segregation of data, restricted (e.g., role-based) access and monitoring, and utilization of commercially available and industry standard encryption, at a minimum of 256-bit encryption, for Personal Information that is:

    i. transmitted order public networks (i.e. the Internet) or when transmitted wirelessly,

    ii. stored on any Company or Agent systems, including any cloud based systems.

d. Logical access controls to manage electronic access to data and system functionality based on authority levels and job functions, *(e.g.* granting access on a need-to-know and least privilege basis, use of unique IDs and passwords for all users, periodic review and revoking/changing access promptly when employment terminates or changes in job functions occur).

e. Password controls to manage and control password strength, expiration and usage including prohibiting users from sharing passwords.

f. System auditor event logging and related monitoring procedures to proactively record user access and system activity for routine review.

g. Physical and environmental security of data center, server room facilities and other areas containing Personal Information to protect information assets from unauthorized physical access, and to manage, monitor and log movement of persons into and out of Company facilities, and to guard against environmental hazards such as heat, fire and water damage.

h. Operational procedures and controls to provide for configuration, monitoring and maintenance of technology and information systems according to prescribed internal and adopted industry standards, including secure disposal of systems and media to render all information or data contained therein as undecipherable or unrecoverable prior to final disposal or release from Company's possession.

i. Change management procedures and tracking mechanisms to ensure all changes to Company's technology and information assets are properly tested, approved and monitored.

j. Incident management procedures to allow for the proper investigation, response, mitigation and notification of events related to Company's technology and information assets.

k. Network security controls that provide for the use of enterprise firewalls and layered DMZ architectures, and intrusion detection systems and other traffic and event correlation procedures to protect systems from intrusion and limit the scope of any successful attack.

l. Vulnerability assessment, patch management, and threat protection technologies and scheduled monitoring procedures to identify, assess, mitigate and protect against identified security threats, viruses and other malicious code.

m. Business continuity and disaster recovery procedures to ensure Company's ability to maintain service and/or recovery from foreseeable emergency situations or disasters.

n. Controls to ensure any applicable Company software is securely developed in accordance with this DPA, such as design reviews, secure separation of development and production environments, code reviews, and quality assurance testing.

9. **TRANSMISSION OF PERSONAL INFORMATION**. Company shall not electronically transmit a record containing Personal Information outside a secure network environment other than by a secure network connection or communications protected by appropriate encryption technology that is not less than 256-bits in length. Likewise, Company shall not require any individual to transmit Personal Information over the Internet unless the connection is secure or the Personal Information is protected by encryption technology meeting this standard. Company shall not print Personal Information on mailed material unless required by law and will not make Personal Information visible through any envelope window unless required by law. Notwithstanding the provisions of this Section, when strictly necessary to perform the contracted services and permitted by applicable Privacy Laws, Personal Information may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend or terminate an account, contract or policy, or to confirm the accuracy of the Personal Information.

10. **SECURITY MANAGER**. On the effective date of the Agreement, Company shall designate an individual as the primary security manager under this DPA. The security manager shall be responsible for managing and coordinating the performance of Company's privacy and data security obligations under this DPA.

11. **SUBPOENAS AND LEGAL PROCEEDINGS**. Subject to applicable law, Company shall immediately notify PG&E of any subpoena or other judicial or administrative order by a court, tribunal, litigant, or government authority seeking access to or disclosure of Personal Information. Subject to applicable law, PG&E shall have the right take steps to assess and/or prevent such disclosure and to defend subpoena enforcement proceedings or motions to compel in lieu of and on behalf of Company, which still must provide reasonable cooperation to PG&E in connection with such defense.

12. **DATA SECURITY BREACH NOTIFICATION AND INCIDENT RESPONSE**. Company shall notify PG&E, of: (a) any access, possession, use or disclosure of Personal information, or attempt thereof, not expressly permitted by this DPA; (b) any suspected breach or compromise of Personal Information, or Company's systems or networks that directly or indirectly support Personal Information; or (c) claims or threats thereof made by any personnel, Agent or external person (each or the foregoing a "Data Security Breach"). Company shall notify PG&E of a Data Security Breach within twenty-four (24) hours after detecting or being notified of the Data Security Breach affecting Personal Information.

a. **Data Security Breach Investigation**. Company shall immediately take measures to stop the Data Security Breach and in PG&E's sole discretion, upon PG&E's written request, and pursuant to PG&E's instructions, Company shall cooperate with PG&E and any outside agents hired by PG&E in connection with: (i) conducting an investigation of any actual or suspected Data Security Breach and (ii) providing PG&E and its agents with administrative access to all affected systems or applications that store, process, transmit or otherwise access Personal Information. Company shall provide PG&E with the following information, at minimum: (i) a brief summary of the issue, facts and status of Company's investigation; (ii) the potential number of individuals affected by the Data Security Breach; (iii) the Personal Information that has been or may have been implicated by the Data Security Breach; and (iv) any other information pertinent to PG&E's understanding of the Data Security Breach and the exposure or potential exposure of Personal Information.

b. **Other Parties**. Unless the Data Security Breach impacts the information of parties other than PG&E, Company shall not notify any parties other than PG&E and relevant law enforcement agencies of any Data Security Breach unless such notification is agreed to in advance by PG&E in writing.

c. **Resolution**. For avoidance of doubt, any Data Security Breach vulnerability shall be resolved to PG&E's satisfaction, at Company's expense. If such vulnerability cannot be resolved to PG&E's satisfaction within a reasonable period of time, as determined by PG&E, PG&E shall have the right to immediately terminate the Agreement without liability.

d. **Notification.** Company will, upon PG&E's written request and pursuant to PG&E's instructions, at Company's cost, notify any affected persons or entities provided that the method and content or such notice to shall be agreed to in writing by PG&E prior to sending such notice. Company shall also cooperate with PG&E and any relevant authority in the event of litigation or regulatory inquiry concerning a Data Security Breach. Notwithstanding the foregoing, Company, at its sole expense shall investigate and remediate all Data Security Breaches.

e. **Indemnification**. In addition to Company's indemnification obligations set for in Section 21 of this DPA, Company shall also indemnify, hold harmless, and defend PG&E and its respective directors, officer; employees, subcontractors and agents from any suits, claims, damages, demands, proceedings, and other actions brought by a third party, and all associated expenses and costs (including but not limited to: assessments, fines, losses, penalties, costs of investigating and responding to any Data Security Breach, costs of notifying affected individuals, and attorneys' fees), arising out of or related to Company's or its Agents collection, processing, storage, use transmission or destruction of Personal Information, including, but not limited to, a suspected or actual Data Security Breach. The remedies set forth herein shall be in addition to any other remedies available to PG&E at law or in equity, including but not limited to Company's general indemnification obligations set forth in this DPA.

13. **CREDIT MONITORING**. In the event of a Data Security Breach (including, without limitation, by an unauthorized employee or Agent of Company), at the sole discretion of PG&E, Company will offer Credit Monitoring Services (as defined below) as designated by company to any affected individual at Company's cost and expense. Affected individuals will be notified of the availability of Credit Monitoring Services as directed by PG&E, at Company's sole cost. "Credit Monitoring Services" mean credit monitoring services for two (2) years, beginning on the date the individual first registers for the service after the Data Security Breach or such period required by Privacy Laws and one (1) free credit report provided by Experian, Equifax, or TransUnion.

14. **DESTRUCTION AND RETURN OF PERSONAL INFORMATION**. As soon as possible after any of the Personal Information (or portion thereof) is no longer needed by Company to fulfill its obligations to PG&E or upon PG&E's written request, or in the event of termination or expiration of this DPA for any reason, Company shall, and shall cause its Agents, to immediately securely destroy and certify such secure destruction (and produce a written certification upon request by PG&E) of any or all of Personal Information and all records of Personal Information, (including, without limitation, all electronic copies such as on hard drives, backup tapes, portable devices, optical, magnetic, or other storage media, as well as all hard copies) or, if requested by PG&E, return Personal Information to PG&E through a secure method designated by PG&E. Company shall ensure that Personal Information is destroyed in accordance with the methods described in the Federal Trade Commission's Disposal Rule, 16 C.F.R § 682.3 and any other Privacy Law.

15. **SECURITY AUDIT RIGHTS**. At the request of PG&E and at PG&E's cost, Company shall provide PG&E, or an independent third-party auditor selected by PG&E, access to, and the right to conduct a security audit of, all records, security policies and procedures, and other practices relating to the use, processing, storage and disclosure of Personal Information. The audit results and Company's plan for addressing or resolving issues identified by the audit shall be shared with PG&E within ten (10) days of Company's receipt of the audit results. If Company fails to resolve the issues identified in its plan within a reasonable timeframe determined by PG&E, PG&E shall have the right to terminate the services contract between the Parties. In addition, subject to Company's advance approval as to scope and timing, PG&E also reserves the right to conduct, at its own cost, not more than twice per calendar year, technical security integrity reviews, and penetration tests and monthly Internet security scans to ensure Company remains compliant with this DPA (collectively, "Application Security Assessments"). PG&E will provide seven (7) days' notice prior to penetration testing or the commencement of monthly

scanning activities. Company shall correct any security flaw discovered by PG&E within eight (8) hours. Further, Company and any Agent that accesses, stores or collects Personal Information shall conduct, at its own cost, an Application Security Assessment annually using an independent third-party tester.

16. **MALICIOUS CODE**. Company will ensure that the contracted services will not result in the transmission to PG&E of any (a) 'back door', 'time bomb', 'Trojan Horse,' 'worm', 'drop dead device,' 'virus', 'spyware' or 'malware;' or (b) any computer code or software routine that: (i) permits unauthorized access to or use of PG&E's or its users' systems or any component thereof; or (ii) disables, damages, erases, disrupts or impairs the normal operation of PG&E's or its users' systems or any component thereof.

17. **INTERNATIONAL TRANSFER OF DATA**. Company shall not transfer Personal Information to, or allow access to Personal Information by, its employees or Agents in any location outside the United States without receiving the prior written consent of PG&E. To the extent that the parties agree to the transmission of Personal Information outside of the United States, prior to making any such transfer, the parties will negotiate in good faith and agree to the terms of a data transfer agreement that complies with applicable Privacy Laws governing the cross-border transfer of Personal Information.

18. **SUSPENSION OF DATA TRANSFERS**. PG&E reserves the right to suspend or stop data transfers to Company at any time. In the event that Company is unable to comply with the obligations stated in this DPA, Company shall within forty-eight (48) hours notify PG&E, and PG&E shall then be entitled (at its option) to suspend the transfer of Personal Information, require Company to cease using Personal Information and/or immediately terminate the Agreement PG&E may have with Company that requires the transfer of Personal Information for the contracted services.

19. **DATA SUBJECT REQUESTS**. Company shall promptly send PG&E within three (3) business days of receipt of any communication received from an individual relating to his or her request to access, modify or correct, or delete Personal Information relating to the individual or to opt-out of any program or communication and Company shall comply with instructions of PG&E before responding to such data subject requests.

20. **COOPERATION WITH GOVERNMENT ENFORCEMENT AUTHORITIES**. Company will provide reasonable cooperation to PG&E in connection with PG&E's efforts to respond to any complaint filed with, or investigation conducted by, any government agency or data protection authority resenting the processing of Personal Information by Company.

21. **INDEMNIFICATION**. Notwithstanding anything to the contrary in any agreement between PG&E and Company, Company shall indemnify, hold harmless, and defend PG&E and its ~~any and~~ officers, employees, subcontractors, agents, successors, and assigns from and against any and all claims, losses, liabilities, damages, settlements, expenses and costs (including without limitation attorneys' fees and court costs) and any and all threatened claims, losses, liabilities, damages, settlements, expenses and costs arising from, in connection with, or based on allegations of, in whole or in part, any of the following: (a) any violation of the requirements of this DPA; (b) any negligence or willful misconduct of Company, its personnel or Agents or any third party to whom Company provides access to Personal Information or systems, with respect to security or confidentiality of Personal is (c) any other costs incurred by PG&E with respect to PG&E's rights in this DPA. Except as otherwise provided herein, Company shall be fully responsible

for, and shall pay, all costs and expenses incurred by Company or its personnel, third-party service providers of Company or Agents with respect to the obligations imposed under this DPA.

22. **RELATION TO THE AGREEMENT**. A breach of any term of this DPA will be deemed a breach of the Agreement. The provisions of the Agreement regarding the subjects of Breach, Choice of Law, and Venue shall govern the parties' respective rights and obligations under this DPA. Notwithstanding the foregoing any indemnification rights of PG&E in this DPA are additive to any rights at law or in equity that PG&E has under the Agreement.

23. **CONFLICTS.** In the event any term in this DPA is inconsistent or contradicts the terms in any other agreement between the Parties, the terms in this DPA shall apply.

24. **MISCELLANEOUS**. This DPA constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof, and its terms shall govern the event of any inconsistency between this DPA and any other agreement between the Parties. This DPA shall be amended only by a written agreement between the Parties that specifically references this DPA by name. Company's obligations hereunder shall survive the termination of the service agreements between the parties and the completion of any and all services performed thereunder.

APPENDIX VII - Notices

Name: _____ ("CMG Aggregator")	**Name:** Pacific Gas and Electric Company, a California corporation ("PG&E")
All Notices:	All Notices:
Delivery Address:	**Delivery Address:**
Street:	300 Lakeside Drive, Suite 219
City:	Oakland, CA 94612
Mail Address:	**Mail Address**:
	300 Lakeside Drive, Suite 200 Oakland, CA 94612
Attn:	Attn: Sr. Director, Distribution Asset Management
Phone:	Phone:
Invoices and Payments:	**Invoices and Payments:**
Attn:	Attn:
Phone:	Phone:
Wire Transfer:	**Wire Transfer:**
BNK: ACCT Title: ABA: ACCT: DUNS: Federal Tax ID Number:	BNK: ACC Title: ABA: ACCT: DUNS: Federal Tax ID Number:
Credit and Collections:	**Credit and Collections:**
Attn:	Attn: Credit @ Emerging Risk PGERiskCredit@Exchange.pge.com
Phone:	Phone: Fax:
With additional Notices of an Event of Default to Contract Manager:	**With additional Notices of an Event of Default to Contract Manager:**
Attn:	Attn:
Phone:	Phone:
Designated CMET Project Operating Representative	**Designated CMET Project Operating Representative**
Attn:	Attn:
Phone:	Phone:

APPENDIX VIII-A –Performance Testing Technical Criteria

{INCORPORATE PERFORMANCE TESTING TECHNICAL CRITERIA HERE}

APPENDIX VIII-B – Commissioning Test Plan

{INCORPORATE COMMISSIONING TEST PLAN HERE}

APPENDIX IX-A – CMET Project Safety Plan and Supporting Documentation

{ATTACH CMET PROJECT SAFETY PLAN AND SUPPORTING DOCUMENTATION}

CMG Aggregator shall develop and provide to PG&E a Safety Plan in accordance with (i) requirements stated in this Appendix IX, and (ii) pursuant to the schedule presented in Appendix III - Project Implementation Plan, and (iii) pursuant to the Safety Requirements. The Safety Plan will include but may not be limited to the following:

Part One: Safety Requirements and Safety Programs

Identify the applicable safety-related Codes, Standards, and regulations (CSR) which govern the design, construction, operation, and maintenance of the Project using the proposed technology.

Describe the CMG Aggregator's and the CMG Aggregator's Contractor(s)' safety programs and policies. Describe CMG Aggregator's compliance with any safety-related industry standards or any industry certifications (American National Standards Institute (ANSI), International Organization for Standardization (ISO), etc.), if applicable.

Part Two: Project Design and Description

Describe CMG Aggregator's safety engineering approach to select equipment and design systems and the Project to reduce risks and mitigate the impacts of safety-related incidents, including cascading failures, excessive temperatures, thermal runaways, fires, explosions, pressure relief rupture disk fractures, hazardous chemical releases.

Describe the results of ~~or~~ similar safety engineering evaluations. In the case of lithium-ion batteries, describe the safety-related reasons, including design features and historical safety records, for selecting particular anode and cathode materials and a particular manufacturer.

In addition to the information provided in the CMET Project Description Appendix II, provide a list which includes but is not limited to, the following information:

a) Arc Flash Studies
b) Ground Grid Designs
c) Step and Touch Potential Analysis
d) Equipment safety-related certifications (e.g. UL), and
e) Safety-related systems

Part Three: Project Safety Management

Identify and describe any hazards and risks to life, safety, public health, property, or the environment due to or arising from the CMET Project. Describe the CMG Aggregator's applicable site-specific safety plans, risk mitigation, Safeguards and layers of protection, including but not necessarily limited to:

a) Engineering controls,

b) Work practices,
c) Administrative controls,
d) Personal protective equipment and procedures,
e) Incident response and recovery plans,
f) Contractor management,
g) Operating procedures,
h) Emergency plans,
i) Training and qualification programs,
j) Disposal, recycle, transportation and reuse procedures, and
k) Physical security measures.

Part Four: Project Hazardous Materials Business Plan

A. SDS/Manufacturer spec sheets for all materials onsite (batteries, transformers, equipment that houses oils or coolants) and;

B. An inventory of each material (i.e. how many batteries of any one type are onsite).

Please also provide a site plan that demonstrates where these assets are located and that identifies Ownership of each asset (CMET Project Resource Owner vs PG&E)

Contact Sheilah Lillie for more information on the HMBP: SMLZ@pge.com.

APPENDIX IX-B – CMET Project Emergency Response Plan

{ATTACH CMET PROJECT EMERGENCY RESPONSE PLAN}

CMG Aggregator shall develop and provide to PG&E a CMET Project Emergency Response Plan in accordance with (i) requirements stated in this Appendix IX-B, and (ii) pursuant to the schedule presented in Appendix III - Project Implementation Plan, and (iii) pursuant to the Safety Requirements. The Emergency Response Plan will include but may not be limited to the following:

a) Project location,
b) Facility description,
c) Description and location of key hazards,
d) Emergency Response Procedures for key hazards,
e) Plan modifications and response to Remediation Events,
f) Smoke & fire suppression systems as required by code,
g) Primary emergency contacts, and
h) Safety Data Sheets

“Remediation Event” means the occurrence of any of the following with respect to the CMET Project or a Site: (a) an Exigent Circumstance (b) a Serious Incident; (c) a change in the nature, scope, or requirements of applicable Laws, Permits, codes, standards, or regulations issued by Governmental Authorities which requires modifications to the Safeguards; (d) a material change to the manufacturer’s guidelines that requires modification to equipment or the Project’s operating procedures; (e) a failure or compromise of an existing Safeguard; (f) Notice by PG&E, in its sole discretion, that CME Aggregator, the Project Safety Plan, Safety Attestation, as applicable, is not consistent with the Safety Requirements; or (g) any actual condition related to the CMET Project or a Site with the potential to adversely impact the safe construction, operation, or maintenance of the CMET Project or a Site.

“Exigent Circumstance” means a situation in which there is actual or imminent harm to life or safety, public health, third-party owned property, or the environment due to or arising from the CMET Project or portion thereof.

“Serious Incident” means a harmful event that occurs on a Site during the Term arising out of, related to, or connected with the CMET Project or the Site that results in any of the following outcomes: (a) any injury to or death of a member of the general public; (b) the death or permanent disabling injury to operating personnel, CMG Aggregator’s Contractors or subcontractors, CMG Aggregator’s employees, agents, or consultants, or authorized visitors to the Site; (c) any property damage greater than one hundred thousand dollars ($100,000.00); (d) release of hazardous material above the limits, or violating the requirements, established by Permits, codes, standards, regulations, Laws or Governmental Authorities; (e) environmental impacts exceeding those authorized by Permits or applicable Law

“Safety Remediation Plan” means a written Notice from CMG Aggregator to PG&E containing information about a Remediation Event, including (a) the date, time and location of first occurrence, (b) the circumstances surrounding cause, (c) impacts, and (d) detailed information about CMG Aggregator’s plans to resolve the Remediation Event.

APPENDIX X-A – Safety Attestation

This Safety Attestation is delivered by _____("Licensed Professional Engineer") to Pacific Gas and Electric Company ("PG&E") in accordance with Section 2.1.B(h) of the Microgrid Operating Agreement with an Effective Date of _____ ("Agreement") by and between _____("CMG Aggregator") and PG&E. All capitalized terms used in this Safety Attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Licensed Professional Engineer_____ hereby certifies the following:

(1) The Project is able to operate in a manner consistent with the Safety Requirements;

(2) The Project Safety Plan demonstrates compliance with all applicable Safety Requirements and reasonably takes into account the items in Appendix IX to the Agreement; and

(3) The Project Safety Plan includes a Safety Remediation Plan that meets the required response to a Remediation Event as described in Appendix IX.

[Licensed Professional Engineer]_____

Signature: _____

Name: _____

Title: _____

Date: _____

License Number and LPE Stamp: _____

APPENDIX X-B – Multiple Use Attestation

[Applicable only to CMET Projects that include energy storage among the CMET Project Resources]

This Multiple-Use Attestation is delivered by _____ ("CMG Aggregator") to Pacific Gas and Electric Company ("PG&E") in accordance with Section 2.1.B(e) of the Microgrid Operating Agreement with an Effective Date of _____ ("Agreement") by and between CMG Aggregator and PG&E. All capitalized terms used in this attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

CMG Aggregator hereby certifies and represents to PG&E, as of the date set forth below, that with regard to the Project, CMG Aggregator is following all the rules set forth in Appendix A of CPUC Decision 18-01-003.

EXECUTED by CMG Aggregator this _____ day of _____, 20__.

Signature: _____

Name: _____

Title: _____

APPENDIX XI-A – Request to Commence Commission Testing

Confirmation Letter

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ ("Agreement") by and between _____("PG&E") and _____ ("CMG Aggregator"), and Section 2.1 and Section 2.2 of that Agreement, this letter ("Request to Commence Commission Testing Confirmation Letter") when duly executed by both parties serves to document the Parties' further agreement that the Development Conditions prescribed in the Agreement at Section 2.1 have been satisfied or waived in writing by PG&E and the project may proceed with any necessary performance and commissioning testing. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Request to Commence Commission Testing Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

[INSERT CMG Aggregator's NAME HERE]	**PACIFIC GAS AND ELECTRIC COMPANY**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX XI-B – CMET Project Islanding Operation Date Confirmation Letter

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ ("Agreement") by and between _____("PG&E") and _____ ("CMG Aggregator"), and Section 2.2 of that Agreement, this letter ("Islanding Operation Date Confirmation Letter") serves to document the Parties' further agreement that the Development Conditions to the Islanding Operation Date have been satisfied or waived in writing by PG&E. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Islanding Operation Date Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

[INSERT CMG Aggregator's NAME HERE]	**PACIFIC GAS AND ELECTRIC COMPANY**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX XII – Operating Performance Requirements, Procedures and Protocols

{ATTACH CMET PROJECT OPERATING PERFORMANCE REQUIREMENTS, PROCEDURES AND PROTOCOLS DOCUMENT & FINAL DESCRIPTION OF OPERATIONS AS APPROPRIATE}

Pursuant to the Operating Performance Requirements, Procedures and Protocols described in Section 2.1 of this Agreement, this Appendix XII will incorporate the following:

Part 1: Jurisdictional Boundaries Letter of Agreement: An agreement between PG&E distribution operators and the CMG Aggregator defining roles and responsibilities for operating and maintaining the CMET Project, notification protocols, and operating protocols and procedures.

Part 2: CMET Project Performance Requirements: Describes operational requirements necessary to meet CMET Project performance requirements including but not limited to PG&E's Electric Rule 2 or any PG&E cost-offset or grant program requirements or any project characteristics justifying grant awards.

Part 3: PG&E CMET Project Description of Operations: Provides CMG Aggregator personnel with a description of operations for the CMET Project operations and coordination with PG&E. This document includes but is not limited to CMET project description, control mode descriptions, alarm descriptions, and procedures requiring coordination with PG&E.

Part 4: CMG Aggregator CMET Project Description of Operations: Document for PG&E electric distribution operations regarding the CMET Project including but not limited to project overview, description of microgrid modes of operation (e.g., microgrid enabled mode and disabled mode), operation and configuration descriptions (e.g., fault responses), and alarms and responses.

For Information Only – The Following are Articles in the Agreement that point to this Appendix:

1.3 Term & Termination: CMET Project Suspension (lock out procedures)
2.1 CMET Project Development Conditions
3.2 Roles and Responsibilities – General
3.3 Roles and Responsibilities – Modes of Operation
3.4 Operational Coordination
3.5 Operating Performance Requirements
4.1 & 4.2 – System Change
7.2 Covenants of CMG Aggregator

APPENDIX XIII – OPERATING TERM PERFORMANCE ASSURANCE REQUIREMENTS

[APPLICABLE ONLY TO MIP PROJECTS]

1. Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent CMG Aggregator delivers the Operating Term Performance Assurance (OPA) hereunder, CMG Aggregator hereby grants to PG&E, as the secured party, a first priority security interest in, and lien on (and right of setoff against), and assignment of, all such OPA posted with PG&E in the form of cash collateral and cash equivalent collateral and any proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, PG&E. Within thirty (30) days of the delivery of the OPA, CMG Aggregator agrees to take such action as PG&E reasonably requires in order to perfect a first-priority security interest in, and lien on (and right of setoff against), such OPA and any proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence, and during the continuation, of a CMG Aggregator's Event of Default, PG&E, as the non-Defaulting Party, may do any one or more of the following: (a) exercise any of the rights and remedies of a secured party with respect to all OPA, including any such rights and remedies under the Law then in effect; (b) draw on any outstanding Letter of Credit issued for its benefit; and (c) liquidate all OPA , then held by or for the benefit of PG&E free from any claim or right of any nature whatsoever of CMG Aggregator, including any equity or right of purchase or redemption by CMG Aggregator. PG&E shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce CMG Aggregator's obligations under this Agreement (CMG Aggregator remains liable for any amounts owing to PG&E after such application), subject to PG&E's obligation to return any surplus proceeds remaining after such obligations are satisfied in full. "Letter of Credit" means an irrevocable, non-transferable standby letter of credit, the form of which must be substantially as contained in Appendix XIII-A to this Agreement, issued by an issuer that is an Eligible LC Bank on the date of delivery to PG&E (including any amendments or renewals, pursuant to Section 3 below); provided, that if the issuer is a U.S. branch of a foreign commercial bank, PG&E may require changes to such form. "Eligible LC Bank" means either a U.S. commercial bank, or a foreign bank issuing a Letter of Credit through its U.S. branch; and in each case the issuing U.S. commercial bank or foreign bank must be acceptable to Buyer in its sole discretion and such bank must have a Credit Rating of at least: (a) "A-, with a stable designation" from S&P and "A3, with a stable designation" from Moody's, if such bank is rated by both S&P and Moody's; or (b) "A-, with a stable designation" from S&P or "A3, with a stable designation" from Moody's, if such bank is rated by either S&P or Moody's, but not both, even if such bank was rated by both S&P and Moody's as of the date of issuance of the Letter of Credit but ceases to be rated by either, but not both of those ratings agencies. "Credit Rating" means, with respect to any entity, (a) the rating then assigned to such entity's unsecured senior long-term debt obligations (not supported by third party credit enhancements), or (b) if such entity does not have a rating for its unsecured senior long-term debt obligations, then the rating assigned to such entity as an issuer rating by S&P and/or Moody's. If the entity is rated by both S&P and Moody's and such ratings are not equivalent, the lower of the two ratings shall determine the Credit Rating. If the entity is rated by either S&P or Moody's, but not both, then the available rating shall determine the Credit Rating.

2. Operating Term Performance Assurance. CMG Aggregator shall maintain in full force and effect the OPA required under this Agreement to secure its obligations for the initial eight (8) year Operating Period of the Term. No later than the Islanding Operation Date, CMG Aggregator will deliver OPA to PG&E an amount equal to the percentage shown in Table XIII-1 below of the total Incentive Award paid by PG&E under that certain Microgrid Incentive Program Grant Agreement dated as of [_____] between PG&E and [Grantee]. The OPA shall be in the form of a Letter of Credit issued with an Eligible LC Bank, or cash via wire transfer to PG&E. The amount of OPA required under this Agreement shall not be deemed a limitation of damages.

Table XIII-1 Letter of Credit Schedules for OPA

MIP Project Year	% of total Incentive Award
Operation 1	35%
Operation 2	35%
Operation 3	25%
Operation 4	25%
Operation 5	10%
Operation 6	10%
Operation 7	5%
Operation 8	5%
Operation 9	0%
Operation 10	0%

3. Letter of Credit. OPA provided in the form of a Letter of Credit (See Appendix XIII-A to this Agreement) shall be subject to the following provisions:

3.1. If CMG Aggregator has provided a Letter of Credit pursuant to any of the applicable provisions in this Appendix XIII, then CMG Aggregator shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis in accordance with this Agreement.

3.2. In the event the issuer of such Letter of Credit at any time (i) fails to maintain the requirements of an Eligible LC Bank or Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit, or (iii) fails to honor PG&E's properly documented request to draw on such Letter of Credit, CMG Aggregator shall cure such occurrence by complying with either (A) or (B) below in an amount equal to the outstanding Letter of Credit, and by completing the action within five (5) Business Days after the date of PG&E's Notice to CMG Aggregator of an occurrence listed in this subsection (CMG Aggregator's compliance with either (A) or (B) below is considered the "Cure"):

A. providing a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank which is the subject of PG&E's Notice to CMG Aggregator in this Section 3.2 of Appendix XIII, or

B. posting cash.

If CMG Aggregator fails to Cure or if such Letter of Credit expires or terminates without a full draw thereon by PG&E, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then CMG Aggregator shall have failed to meet the OPA requirements of this Appendix XIII.

3.3 Notwithstanding the foregoing in Section 3.2 of Appendix XIII, if, at any time, the issuer of such Letter of Credit has a Credit Rating on "credit watch" negative or developing by S&P, or is on Moody's "watch list" under review for downgrade or uncertain ratings action (either a "Watch"), then PG&E may make a demand to CMG Aggregator by Notice ("LC Notice") to provide a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank on a Watch ("Substitute Letter of Credit"). The Parties shall have thirty (30) Business Days from the LC Notice to negotiate a Substitute Letter of Credit ("Substitute Bank Period").

3.4 If the Parties do not agree to a Substitute Letter of Credit by the end of the Substitute Bank Period, then PG&E shall provide CMG Aggregator with Notice within five (5) Business Days following the expiration of the Substitute Bank Period ("Ineligible LC Bank Notice Period") that either:

A. PG&E agrees to continue accepting the then currently outstanding Letter of Credit from the bank that is the subject of the LC Notice, but such bank shall no longer be an Eligible LC Bank ("Ineligible LC Bank") and PG&E will not accept future or renewals of Letters of Credit from the Ineligible LC Bank; or

B. The bank that is the subject of the LC Notice is an Ineligible LC Bank and CMG Aggregator shall then have thirty (30) days from the date of PG&E's Notice to Cure and, if CMG Aggregator fails to Cure, then PG&E may declare a CMG Aggregator's Event of Default pursuant to Article 5 of this Agreement.

C. If the Parties have not agreed to a Substitute Letter of Credit and PG&E fails to provide a Notice during the Ineligible LC Bank Notice Period above, then CMG Aggregator may continue providing the Letter of Credit posted immediately prior to the LC Notice.

3.5 In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by CMG Aggregator.

4. Use of Operating Term Performance Assurance. Pursuant to PG&E rights to the OPA under this Appendix XIII, PG&E may draw upon the OPA (A) pursuant to Section 5.2.C of this Agreement, in the event it is terminated pursuant to Section 5.2.B during the Operating Term as the result of an uncured CMG Aggregator Event of Default under Section 5.1.A(b), or (B) for any damages arising upon PG&E's declaration of an early termination date in accordance with Section 5.2(B).

5. Payment and Transfer of Interest. PG&E shall pay interest on cash held as OPA, at the Interest Rate and on the Interest Payment Date. PG&E will transfer to CMG Aggregator all accrued Interest Amount on the unused cash OPA in the form of cash by wire transfer to the bank account specified by CMG Aggregator. "Interest Amount" means, with respect to an Interest Period, the amount of interest calculated as follows: (a) the sum of (i) the principal amount of OPA in the form of cash held

by PG&E during that Interest Period, and (ii) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (b) multiplied by the Interest Rate in effect for that Interest Period; (c) multiplied by the number of days in that Interest Period; (d) divided by 360. "Interest Rate" means the rate per annum equal to the "Monthly" Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication. "Interest Period" means the monthly period beginning on the first day of each month and ending on the last day of each month. "Interest Payment Date" means the date of returning unused OPA held in the form of cash.

6. Return of Operating Term Performance Assurance. PG&E shall return the unused portion of any OPA, including the payment of any Interest Amount due thereon pursuant to Section 5 of this Appendix XIII above, as follows:

(A) Provided no default is occurring, any unused portions of the OPA amount posted by the CMG Aggregator in cash will be released annually on each anniversary of the Islanding Operation Date according to the schedule shown in Table XIII-1. If the OPA is posted as a Letter of Credit, PG&E will release it when CMG Aggregator has provided a replacement Letter of Credit in the appropriate amount shown in Table XIII-1 on or prior to each anniversary of the Islanding Operation Date;

(A) the Agreement has has been terminated pursuant to Section 1.2 or, subject to Section 5.2(B), an early termination date has occurred for an Event of Default, as applicable; and

(B) all payment obligations of the CMG Aggregator arising under this Agreement, including indemnification payments or other damages are paid in full.

APPENDIX XIII-A – FORM OF LETTER OF CREDIT

Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: ***[insert issue date]***

Beneficiary:	Pacific Gas and Electric Company 300 Lakeside Dr., Oakland, CA 94612 Attention: Credit Risk Management	**Applicant:**	[Insert name and address of Applicant]

Letter of Credit Amount: ***[insert amount]***

Expiry Date: ***[insert expiry date]***

Ladies and Gentlemen:

By order of ***[insert name of Applicant]*** ("Applicant"), we hereby issue in favor of Pacific Gas and Electric Company (the "Beneficiary") our irrevocable standby letter of credit No. ***[insert number of letter of credit]*** ("Letter of Credit"), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. $ ***[insert amount in figures followed by (amount in words)]*** ("Letter of Credit Amount"). This Letter of Credit is available with ***[insert name of issuing bank, and the city and state in which it is located]*** by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on ***[insert expiry date]*** (the "Expiry Date").

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents (which may be presented by overnight courier or by facsimile or email):

1. Beneficiary's signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. ***[insert number]*** and stating the amount of the demand; and

2. One of the following statements signed by an authorized representative or officer of Beneficiary:

    A. "Pursuant to the terms of that certain ***[insert name of Agreement]*** (the "Agreement"), dated ***[insert date of the Agreement]***, between Beneficiary and ***[insert name of Seller under the Agreement]***, Beneficiary is entitled to draw under Letter of Credit No. ***[insert number]*** amounts owed by ***[insert name of Seller under the Agreement]*** under the Agreement; or

    B. "Letter of Credit No. ***[insert number]*** will expire in thirty (30) days or less and ***[insert name of Seller under the Agreement]*** has not provided replacement security acceptable to Beneficiary.

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;

2. All banking charges associated with this Letter of Credit are for the account of the Applicant;

3. This Letter of Credit is not transferable; and

4. The Expiry Date of this Letter of Credit shall be automatically extended without a written amendment hereto for a period of one (1) year and on each successive Expiry Date, unless at least sixty (60) days before the then current Expiry Date we notify you by registered mail or courier that we elect not to extend the Expiry Date of this Letter of Credit for such additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date in case of an interruption of our business as stated below), at our offices at ***[insert issuing bank's address for drawings]***.

All demands for payment shall be made by presentation of copies or original documents, or by facsimile, e-mail, or other electronic transmission of documents to ***[Insert fax number, email or other electronic transmission]***, Attention: ***[Insert name of issuing bank's receiving department] or [Insert email or other electronic transmission address]***. If a demand is made by facsimile, e-mail or other electronic transmission, the originals or copies of documents must follow by overnight mail, and you may contact us at ***[Insert phone number]*** to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the sixth (6th) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision,* International Chamber of Commerce (ICC) Publication No. 600 (the "UCP 600"); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit, if they are presented within thirty (30) days after the resumption of our business, and will effect payment accordingly.

The electronic copy of this Letter of Credit shall be the operative instrument until such time as the original is received. This Letter of Credit can be amended or terminated by facsimile, e-mail or other electronic transmission.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at ***[insert number and any other necessary details]***.

Very truly yours,

[insert name of issuing bank]

By: _____
Authorized Signature

Name: ***[print or type name]***

Title: ***[print or type title]***

[Note: All pages must contain the Letter of Credit number and page number for identification purposes.]

Exhibit A SIGHT DRAFT

TO

[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: $_____ DATE: _____

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S.$_____(_____U.S. DOLLARS)

DRAWN UNDER ***[INSERT NAME OF ISSUING BANK]*** LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

_____ DRAWER

_____ BY: _____

_____ NAME AND TITLE

[No Bank's signature on Exhibit A]

APPENDIX XIIIV - LIMITED WAIVER OF SOVEREIGN IMMUNITY

[APPLICABLE ONLY TO CMG AGGREGATORS THAT ARE TRIBAL ~~ENTITIES~~GOVERNMENTAL AUTHORITIES]

(a) The Parties acknowledge that CMG Aggregator is a sovereign ~~Indian t~~Tribe, and that, as such, CMG Aggregator, its officers, agents and assigns possess sovereign immunity from unconsented suits and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of CMG Aggregator's sovereign immunity, except as expressly provided in this Appendix XIIIV. PG&E and CMG Aggregator agree that this Agreement is fully enforceable between the Parties. Therefore, CMG Aggregator hereby provides this limited express ~~unconditional and irrevocable~~ waiver of CMG Aggregator's sovereign immunity, for the limited purpose of enforcing this Agreement (including each and all of the terms and conditions of this Agreement), and in accordance with, and as limited by, the express terms of this Agreement. CMG Aggregator provides this limited waiver of its sovereign immunity solely for disputes arising between the parties under this Agreement pursuant to Article 10. This limited waiver shall not apply to any other party or to disputes that do not arise out of this Agreement. PG&E hereby ~~expressly unconditionally and irrevocably~~ agrees that this limited waiver of sovereign immunity provided by CMG Aggregator shall be strictly and narrowly construed in favor of CMG Aggregator.

(b) With respect to all actions, suits, claims, proceedings or counterclaims (each, a "Claim"), CMG Aggregator and each of its officers, agents and assigns hereby expressly~~, unequivocally, unconditionally and irrevocably~~ waives its sovereign immunity, and all defenses based thereon, from any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement, in each case of any nature, whether such Claim is brought in or arises under law, equity, contract, tort or statute (inclusive of Claims for equitable or provisional relief and to compel arbitration, and whether through service of notice, attachment prior to judgment, exercise of contempt powers, or otherwise) (an "Action"), for the limited purpose of resolving Claims and the judicial enforcement thereof, to resolve any controversy arising from this Agreement, to enforce or interpret the express terms and conditions of this Agreement, or otherwise related to this Agreement, as provided for in this Agreement.

(c) CMG Aggregator expressly~~, unequivocally, unconditionally and irrevocably~~ waives ~~any and all governmental immunities, including~~ sovereign immunity, solely in connection with any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement and all defenses based thereon as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, any form of relief, or order related thereto. CMG Aggregator further ~~irrevocably and unconditionally~~ consents to the jurisdiction of the arbitrators and/or specified courts described in Article 10 of this Agreement, including each Party's consent to be bound by a lawful order or judgment, to the extent provided for herein.

(d) With respect to any Action between PG&E and CMG Aggregator, each of the Parties expressly

consents and agrees to the dispute resolution provisions set forth in Article 10 of this Agreement, and~~, without limiting the generality of this Appendix XIV,~~ CMG Aggregator hereby agrees that the limited waivers of sovereign immunity described in this Appendix XIII~~V~~ apply and waive CMG Aggregator's sovereign immunity (to the extent described in this Appendix XIII~~V~~) in connection with any arbitration under Article 10 of this Agreement and any judgment or award described in Article 10 of this Agreement. CMG Aggregator specifically expressly~~, unequivocally, and irrevocably~~ waives sovereign immunity for the limited jurisdictional purposes set forth in this Appendix XIII~~V~~ and in Article 10 of this Agreement. The Parties specifically agree that the arbitrators and courts set forth in Article 10 of this Agreement shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement, which shall be binding and enforceable on each Party. CMG Aggregator shall not contest jurisdiction or venue to the extent selected in accordance with Article 10 of this Agreement. CMG Aggregator hereby waives any argument that a tribal forum has jurisdiction over the limited waiver of sovereign immunity and this Agreement, that it shall not plead or invoke the doctrine of exhaustion of tribal or other administrative or tribal judicial remedies, defenses of tribal immunity or that CMG Aggregator is an indispensable party, and CMG Aggregator hereby waives any and all such requirements.

(e) ~~The Parties agree that to the extent any provisions of this Agreement are rendered ineffective by any later changes in tribal law, any such change shall constitute a breach of the terms of this Agreement and be actionable by PG&E under the terms of this Agreement. CMG Aggregator waives any benefits, rights, immunities, privileges or limitations in applicable tribal law that would otherwise foreclose any remedy or relief permitted by this Agreement.~~ CMG Aggregator hereby consents to injunctive relief, where the standards for such relief are proven, in the forums enumerated in Section 13.9 of this Agreement should CMG Aggregator ever attempt to revoke, limit or restrict the limited waiver of sovereign immunity, where the legal standards for such relief are satisfied.

(f) In any Action as to which CMG Aggregator has waived its sovereign immunity as provided herein, CMG Aggregator consents and agrees that process against CMG Aggregator shall be effective if served by sending a copy of the process in accordance with the notice provisions set forth in Section 14.1 of this Agreement.

END OF AGREEMENT

Attachment 4

Form of MIP MOA for local and tribal governments –

(Clean version showing all modifications proposed in AL 7660-E and AL 7660-E-A to the previously approved version in AL 7042-E.)

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT]

COMMUNITY MICROGRID ENABLEMENT TARIFF
MICROGRID OPERATING AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

and

_____

Dated:

_____

[FORM FOR USE ONLY WITH LOCAL OR TRIBAL GOVERNMENT CMG AGGREGATORS]

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This Community Microgrid Enablement Tariff Microgrid Operating Agreement ("Agreement" or "MOA"), together with the appendices and any other attachments referenced herein, is made and entered into between Pacific Gas and Electric Company, a California corporation ("PG&E") and _____ a _____ as ("Community Microgrid Aggregator" or " CMG Aggregator") as of _____ (the "Effective Date"). CMG Aggregator and PG&E are referred to individually as "Party" or collectively as "Parties". PG&E and CMG Aggregator hereby agree to the following:

RECITALS

A. Whereas, PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission in northern and central California and which owns an extensive electric transmission and distribution system within that area; and,

B. Whereas, the CMG Aggregator wishes to coordinate control of distributed energy resources and provide energy resiliency for end use customers through development of a Community Microgrid ("CMG"); and,

C. Whereas, the CMG Aggregator is a [Tribal Governmental Authority]/[Local Governmental Authority]; and,

D. Whereas, the Parties desire to enter an agreement to enable the development and operation of a Community Microgrid under PG&E's Community Microgrid Enablement Tariff ("CMET"), which was approved by California Public Utilities Commission ("CPUC"); and,

E. Whereas, Parties agree that the CMET Project Resources are governed by existing rules and tariffs and require CMET Project Resource interconnection agreements when the normal mode of CMET Project operation is interconnected to and operating in parallel with the Distribution System beyond the CMET Project Microgrid Boundary ("Blue Sky Mode"); and,

F. Whereas, Parties agree that the CMET Project is governed by the CMET and existing rules and tariffs when operating in disconnected mode ("Island Mode") from PG&E's distribution system at the Microgrid Islanding Point, which includes transitioning into, operating in, and transitioning out of Island Mode, and safe reconnection back to PG&E's broader Distribution System, and that this Agreement is needed to define the roles and responsibilities of the Parties for the development and commissioning, and for safe, reliable operation of a CMET Project in Island Mode; and,

G. Whereas, CMG Aggregator's CMET Project has undergone a Microgrid Islanding Study performed by PG&E for the CMET Project, and the CMG Aggregator has: (1) reviewed and accepted the applicable PG&E Microgrid Islanding Study report for the proposed CMET Project; (2) reviewed and accepted the resultant draft Description of Operations and the PG&E Microgrid Special Facilities Agreement; (3) reviewed and accepted the required CMG Aggregator supplied CMET Project Balance of System and operational requirements; and (4) has committed to enter into this Agreement and to govern the development and operation of the CMET Project.

Now, therefore, in consideration of the agreements contained herein, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

This Agreement shall be binding as of the Effective Date.

1. TERM & TERMINATION

1.1. Term

A. The Term of this Agreement shall commence upon the Effective Date and shall continue until the earliest of:

(i) expiration of the Development Term if the interconnection request for the CMET Project Resource is withdrawn or the CMET Project Resource fails to achieve commercial operations pursuant to its interconnection agreement,

(ii) expiration of the Development Term if CMET Project does not satisfy all of the Development Conditions by the applicable CMET Project Development Milestones included in Appendix III-A pursuant to Section 2.3 of this Agreement,

(iii) expiration of the Operating Term, or

(iv) termination pursuant to Section 1.2 of this Agreement, provided that the terms and conditions of this Agreement shall thereafter remain in effect until the Parties have fulfilled all obligations arising under this Agreement.

B. Development Term

The "Development Term" is the period described in the Project Implementation Plan, attached hereto as Appendix III-B, commencing on the Effective Date and shall remain in effect until the CMET Project Islanding Operation Date (IOD), unless sooner terminated in accordance with Section 1.2 of this Agreement.

C. Operating Term

The "Operating Term" is the period commencing on the CMET Project Islanding Operation Date, as such term is defined in Section 2.2, and shall remain in effect for a period of ten (10) years from the IOD or such other longer period as the CMG Aggregator may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated in accordance with Section 1.2 of this Agreement.

1.2. Termination

This Agreement shall continue in full force and effect until the occurrence of one or more of the following events:

A. Parties mutually agree in writing to terminate the Agreement,

B. The termination of any existing executed CMET Project Resource Interconnection Agreement(s), which if terminated would result in the CMET Project no longer being in

compliance with the CMET requirements per the Microgrid Islanding Study,

C. The CMET Project no longer meets the eligibility requirements set forth in the CMET Tariff (E-CMET),

D. An Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties requires that the Agreement or the CMET Project be terminated, or

E. As provided in Section 5.2.B for an Event of Default.

In the event of a termination of this Agreement pursuant to Section 1.2.A, such termination will be effective as of the date designated in writing by the Parties. In the event of a termination pursuant to Section 1.2.B, such termination will be effective as of the earliest termination date of the applicable CMET Project Resource Interconnection Agreement(s), without need for further Notice by either of the Parties. In the event the CMET Project no longer meets the eligibility requirements set forth in E-CMET, pursuant to Section 1.2.C, termination will be effective thirty (30) days from delivery of Notice from PG&E of such noncompliance if CMG Aggregator is unable to cure such noncompliance. In the event of a termination pursuant to Sections 1.2.D, termination will be on a date consistent with said Order. In the event of termination pursuant to Section 1.2.E, the non-defaulting party will send a Notice specifying the basis for termination and designating a termination date.

1.3. CMET Project Suspension

During the Operating Term, this Agreement may be suspended by mutual agreement of the Parties for a period of time not to exceed six (6) months as a result of:

A. A System Change as described in Article 4, or

B. Written request to PG&E by the CMG Aggregator, or

C. Written request to CMG Aggregator by PG&E.

During any such suspension period, the operational capability of the CMET Project to transition into, operate in and transition out of Island Mode will be suspended, disabled and physically locked out as prescribed in the applicable Operating Performance Requirements, Procedures and Protocols detailed in Appendix XII.

2. CMET PROJECT DEVELOPMENT

2.1. CMET Project Development Responsibilities and Conditions

A. CMG Aggregator and PG&E shall work together to develop, construct, install, and test the CMET Project in accordance with: (1) the CMET Project Implementation Plan (PIP) schedule set forth in Appendix III-B; (2) the CMET Project Performance Testing Technical Criteria as set forth in Appendix VIII-A; (3) the CMET Microgrid Islanding Study attached as Appendix II; and (4) any applicable requirements in the CMET Project Resource Interconnection Agreement(s), and the Microgrid Special Facilities Agreement, that are attached hereto as

Appendix IV-A and Appendix IV-B, respectively.

B. CMG Aggregator and PG&E agree to collaborate in good faith to complete the CMET Project successfully and expeditiously by the Development Milestones set in Appendix III-A. CMG Aggregator and PG&E will each, as applicable, take all reasonable actions required to demonstrate the satisfaction of each of the following development conditions consistent with both (1) the CMET Project Development Milestones for which the respective Party is responsible, as detailed in the attached Appendix III-A, and (2) the CMET Project Implementation Plan (PIP) attached as Appendix III-B:

a) At CMG Aggregator's expense, CMG Aggregator or Contractor shall have constructed or caused to be constructed and demonstrated to PG&E's satisfaction that the CMET Project, including the CMET Project Resources and Project Balance of System, has been installed, constructed and configured consistent with the requirements detailed in the CMET Microgrid Islanding Study and Commissioning Test Plan (i.e., Appendix VIII-B) no later than the applicable Development Milestones. The CMG Aggregator shall take all actions and obtain all approvals necessary to develop the CMET Project Resources and CMET Project Balance of System pursuant to the terms of this Agreement.

b) CMG Aggregator shall have developed Operating, Procedures and Protocols for the CMET Project, consistent with the CMET Operating Performance Requirements incorporated as Appendix XII of this Agreement, that has been approved by PG&E no later than the applicable Development Milestone presented in Appendix III-A, and prior to requesting Permission to Island the CMET Project.

c) CMG Aggregator shall have developed a Commissioning Test Plan consistent with the CMET Operating Performance Requirements incorporated as Appendix VIII-B of this Agreement. A Commissioning Test Plan that has been approved by PG&E shall be submitted to PG&E no later than the applicable Development Milestone presented in Appendix III-A, and prior to CMG Aggregator requesting Permission to Island the CMET Project. The Commissioning Test Plan shall be incorporated as Appendix VIII-B of this Agreement.

d) CMG Aggregator shall have delivered to PG&E the Multiple Use Attestation in accordance with Section 7.1.D of this Agreement in the form of Appendix X-B, and in accordance with Development Milestones presented in Appendix III-A and prior to requesting Permission to Island the CMET Project.

e) CMG Aggregator shall have prepared a Project Safety Plan and Project Emergency Response Plan that has been approved by PG&E no later than the applicable Development Milestone presented in Appendix III-A. The Project Safety Plan and Project Emergency Response Plan shall incorporate the elements described in Appendix IX-A and Appendix IX-B, respectively, and will describe how the CMG Aggregator will demonstrate compliance with the Safety Requirements during the Development Term, through the CMET Project IOD and during the Operating Term.

f) CMG Aggregator shall have delivered to PG&E the Safety Attestation in the form of Appendix X-A in accordance with Appendix IX, and with the Development Milestones presented in Appendix III-A, and prior to requesting Permission to Island the CMET Project.

g) CMG Aggregator shall have demonstrated to PG&E's satisfaction that its operating personnel are familiar with the procedures and guidelines in this Agreement as part of the Commissioning Test Plan prior to the CMET Project operating in Blue Sky Mode or in Island Mode.

C. PG&E is responsible for the design, procurement, construction, installation, and maintenance of the Distribution Upgrades required to enable the CMET Project to operate in Island Mode, as more particularly described in the CMET Project Resource Interconnection Agreement and Microgrid Special Facilities Agreement between PG&E and CMG Aggregator. PG&E shall own and maintain the Distribution Upgrades.

2.2. Satisfaction of Development Conditions and Islanding Operation Date

A. The CMG Aggregator will provide PG&E with Notice(s) that must contain sufficient documentation to demonstrate satisfaction of the Development Conditions, and the CMG Aggregator will provide additional documentation as may be requested by PG&E to demonstrate or verify such satisfaction. Upon receipt of PG&E's Notice(s) that CMG Aggregator has satisfied all Development Conditions set forth in Section 2.1, CMG Aggregator will request to commence commissioning testing of the CMET Project by completing the form attached as Appendix XI-A and submitting it to PG&E for review and approval, such approval not to be unreasonably withheld, conditioned, or delayed.

B. Following receipt of PG&E's request to commence commissioning testing of the CMET Project, the CMG Aggregator will demonstrate CMET Project performance and operational compliance with the Performance Testing Technical Criteria detailed in Appendix VIII-A and PG&E-Approved Commissioning Test Plan as detailed in Appendix VIII-B. Parties will conduct CMET Project Commissioning Test per the Project Commissioning Test Plan of the CMET Project which may include, at PG&E's discretion, but not be limited to: (i) operational demonstration in Blue Sky Mode, (ii) transition to and operation in Island Mode, and (iii) transition from Island Mode to Blue Sky Mode through resynchronization with PG&E's electric system in accordance with the PG&E-approved Commissioning Test Plan.

C. The date upon which all requirements of Section 2.2.A and Section 2.2.B have been completed to the reasonable satisfaction of PG&E will be the "Islanding Operation Date" or "IOD" for the CMET Project. The Parties shall memorialize the Islanding Operation Date by mutual execution of the "Islanding Operation Date Confirmation Letter" attached as Appendix XI-B.

2.3. Failure to Meet Development Conditions

If CMG Aggregator fails to satisfy all of the Development Conditions as set forth in Section 2.1

by the applicable CMET Project Development Milestones set forth in Appendix III-A, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement.

3. CMET PROJECT OPERATIONS

3.1. CMET Project Operation

The CMET Project shall be capable of operation in Blue Sky Mode and Island Mode without adversely affecting the operations of the connected electric grid or the operations of the Distribution Customers within the CMET Project Microgrid Boundary and without presenting safety hazards to the public, PG&E's or CMG Aggregator's personnel, agents, contractors, and invitees.

3.2. Roles & Responsibilities – General

A. PG&E is the Distribution Provider that is responsible for providing Distribution Service under both Blue Sky and Island Modes pursuant to all applicable Laws. PG&E will own, operate, and maintain the Distribution System, including any Distribution Upgrades.

B. The CMG Aggregator is a third-party aggregator that coordinates control of distributed resources, including CMET Project Resources and any demand-side management resources, consistent with relevant provisions of Applicable Rules and Standards and Operating Performance Requirements, Procedures and Protocols as detailed in Appendix XII to enable the CMET Project to operate in Island Mode.

C. During the Operating Term, CMG Aggregator shall at all times (i) retain operational coordination with PG&E for the CMET Project pursuant to this Agreement and applicable Operating Performance Requirements, Procedures and Protocols as shown in Appendix XII, (ii) be responsible for or cause CMG Aggregator's agent to be responsible for maintenance of the CMET Project Resources and CMET Project Balance of System, and (iii) bear all costs related to operation, scheduling, and maintenance of the CMET Project Resources and CMET Project Balance of System as required for the CMET Project to safely and reliably transition to, operate in and transition from Island Mode.

3.3. Roles and Responsibilities - Modes of Operation

A. Blue Sky Mode

Blue Sky Mode is when the CMET Project is operating connected and synchronized to the PG&E Distribution System at the Microgrid Islanding Point(s). Under Blue Sky Mode, the Parties' roles and responsibilities are as follows:

a) CMG Aggregator is responsible for monitoring CMET Project Resources and Balance of Systems that are under their ownership and/or control, to assure availability and readiness to transition to Island Mode, either on a planned/scheduled basis or as a result of an unplanned outage of the PG&E distribution system at or beyond the Microgrid

Islanding Point(s). CMG Aggregator is responsible for managing CMET Project Resources and Balance of System under their ownership and/or control or obligation in a manner consistent with Applicable Rules and Standards. CMG Aggregator is responsible for periodic testing to demonstrate availability and capability of the CMET Project pursuant to Section 3.5 and consistent with applicable Operating Performance Requirements, Procedures and Protocols prescribed in Appendix XII.

b) PG&E is responsible for monitoring and control of the CMET Project equipment and systems via PG&E's Supervisory Control and Data Acquisition (SCADA) system for operational availability, readiness and compliance with PG&E designated and approved control and protection configuration and settings and for monitoring the PG&E Distribution System within the CMET Project Microgrid Boundary consistent with PG&E's role and responsibility as Distribution Provider and in conformance with all Applicable Rules and Standards. PG&E will notify CMG Aggregator of a PSPS event which could result in a transition from Blue Sky Mode to Island Mode either at the same time (to the extent the CMG Aggregator is classified as a Public Safety Partner) or at the earliest reasonably practicable opportunity after it notifies Public Safety Partners and posts to its website notice of an anticipated de-energization of transmission infrastructure, in accordance with the CMET Project Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII. Unless otherwise ordered by a Regulatory Authority, PG&E shall bear no liability for any actions taken by the CMG Aggregator due to PG&E's notification of a potential PSPS event that does not ultimately result in the need for the CMET Project to enter Island Mode.

B. Island Mode

Island Mode is when the CMET Project has disconnected from the broader PG&E Distribution System at the Microgrid Islanding Point(s) and is providing power to the Distribution Customers within the CMET Project Microgrid Boundary:

a) CMG Aggregator is responsible for monitoring and operating CMET Project Resources and Balance of System to maintain service quality as prescribed in Section 3.2. CMG Aggregator will provide on-site inspection during Island Mode operation in accordance with the Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII.

b) PG&E is responsible for monitoring the CMET Project via PG&E's SCADA system, as well as limited control for operational compliance with PG&E designated and approved control and protection configuration and settings, and for monitoring the PG&E Distribution System within the CMET Project Microgrid Boundary consistent with PG&E's role and responsibility as Distribution Provider. PG&E is responsible for notifying CMG Aggregator of a planned transition from Island Mode to Blue Sky Mode in accordance with the Operating Performance Requirements, Procedures and Protocols set forth in Appendix XII.

C. Maintenance

a) The CMG Aggregator agrees to maintain all PG&E required CMET Project devices as identified in the Microgrid Islanding Study, Appendix V, and Description of Operations in service, with controller and protection settings as recorded on a PG&E-approved relay test report and G5-1 forms described in PG&E's Distribution Interconnection Handbook and required for pre-parallel inspection of CMET Project.

b) Requests for installation of proposed firmware updates to Balance of System owned by CMG Aggregator or proposed changes in controller and protection settings which are essential to ensure day-to-day reliability, operational security and safety, or cyber-security related to the CMET Project must be submitted in writing to PG&E for review and approval. PG&E will review any such proposed firmware updates, changes and modifications of and associated implementation and test plan, and will provide CMG Aggregator with Notice of its approval, or of any required modifications. Upon confirmation that such modifications have been made by CMG Aggregator, PG&E will provide Notice of approval to CMG Aggregator, with confirmation that CMG Aggregator may proceed with its implementation and test plan and consistent with Operating Performance Requirements, Procedures and Protocols in Appendix XII as applicable.

c) The CMG Aggregator agrees to comply with the requirements identified in this Agreement for CMET Project Island Mode operation and the PG&E Interconnection Handbooks for all such equipment and generation sources capable of parallel operation with PG&E's electrical system.

3.4. Operational Coordination

A. Communications

During the Operating Term, CMG Aggregator shall coordinate CMET Project operations with PG&E and maintain the CMET Project pursuant to the Operating Performance Requirements, Procedures and Protocols as described in Appendix XII.

a) The CMG Aggregator shall maintain operating communications with the Designated PG&E Distribution Control Center at all times during the Operating Term. The operating communications shall include, but not be limited to, CMET Project status, CMET Project Resource separation, scheduled and unscheduled shutdowns, Unscheduled Island Mode and CMET Project equipment clearances, and notifications of security updates and support pursuant to Section 12.2.D of this Agreement. Communications can be a combination of real-time telemetry through SCADA and person to person communications as described in Appendix XII.

b) All oral operating communications shall be conducted through the Designated PG&E Distribution Control Center. The CMG Aggregator agrees to maintain direct phone service staffed 24 hours so that PG&E can give instructions to the CMG Aggregator or its designated CMET Project operations coordinator.

c) Parties will develop Operating Performance Requirements, Procedures and Protocols as provided in Section 2.1.B(a), to be incorporated as Appendix XII of this Agreement. The

Operating Performance Requirements, Procedures and Protocols may include, but shall not be limited to, the following elements:

1. Identify and describe parties' detailed operational roles and responsibilities under defined operating modes of i) Blue Sky Mode and ii) Island Mode, including during the transitions between such operating modes as prescribed in this Agreement.
2. Identify responsible entities and respective Designated CMET Project Operating Representatives for specific operational activities associated with the CMET Project and PG&E.
3. Identify communications requirements for operational notification and coordination that may include:
   i. Any Emergency situation or any CMG Aggregator request that PG&E de-energize a portion of the PG&E Distribution System within the CMET Project.
   ii. Any Emergency situation or any PG&E need to de-energize a portion of the PG&E Distribution System within or outside the CMET Project Microgrid Boundary that impacts the ability of the CMET Project to transition to and operate in Island Mode.
   iii. Any changes in the mechanical or electric condition of the CMET Project that may affect the reliability of the PG&E electric system.
   iv. Immediately upon discovery, any mis-operation or inoperable condition of a PG&E-required CMET Project controller, relay, circuit breaker, or other protective device.
   v. Any curtailment or limitation in CMET Project operation resulting from any type of communications, control or hardware failure.
   vi. Immediately upon discovery, any operation of a PG&E-required CMET Project, circuit breaker, or other protective device, including a listing and description of the protection alarm points that caused the circuit breaker or protective device to operate.
   vii. Emergency CMET Project transition to Island Mode shall be reported as soon as conditions permit.
   viii. Planned/Scheduled transition between Operating Modes.
   ix. Planned maintenance outage requests of the CMET Project, consistent with PG&E process, procedures and standards as applicable and as may be incorporated or referenced in Appendix XII.
   x. Planned maintenance outage of PG&E Distribution System that may impact the CMET Project that impacts the ability of the CMET Project to transition to and operate in Island Mode.
   xi. Procedures for switching, energizing/de-energizing of the PG&E Distribution and/or CMET Project.
   xii. Periodic capability and functional testing.

xiii. Personnel authorization to access CMET Project control facilities and equipment.

B. Special Operations & Clearance Requests

a) CMG Aggregator may request a special operation to manually island the CMET Project from the PG&E system for testing, maintenance, repairs or other as otherwise mutually agreed between the Parties. CMG Aggregator must provide PG&E notice pursuant to the Operating Performance Requirements, Procedures and Protocols prior to any such proposed special operation, including the reasons and objectives for the request, planned date/time of Island Mode operation, Island Mode duration and planned date/time of transitioning back to Blue Sky Mode. PG&E, in its sole discretion, may provide CMG Aggregator confirmation and approval of the request and will coordinate transition to Island Mode and return to Blue Sky Mode operations with the Designated PG&E Distribution Control Center in real time when proceeding with the approved special operations.

b) Under normal conditions, PG&E will give advance notice of plans to perform work that may affect the CMET Project access to the PG&E system, consistent with PG&E process, procedures and standards as may be applicable and incorporated or referenced in Appendix XII. The CMG Aggregator may request that such work be performed during times other than regular business hours (Non-Holidays, Monday through Friday, 8:00 A.M. to 5:00 p.m.), which PG&E may accommodate, provided that PG&E reserves the right to charge the CMG Aggregator the additional cost for work performed during times other than normal business hours when the schedule of such work is negotiable, as solely determined by PG&E. PG&E will provide the CMG Aggregator with an estimate of the additional cost and if the CMG Aggregator still desires the work to be performed during non-normal business hours and PG&E does perform the work, PG&E shall charge the CMG Aggregator the actual additional costs for the work, the amount of which shall not exceed the cost estimate.

c) Under Emergency conditions, PG&E through the Designated PG&E Distribution Control Center may, without notice and at any time, interrupt service to the CMET Project if a situation exists which may adversely affect the PG&E Electric System Integrity or upon any emergency request that PG&E de-energize a portion of the Distribution System under its control pursuant to Electric Rule 14.

3.5. Operating Performance Requirements

During the Operating Term, CMG Aggregator will satisfy the following operational performance requirements (collectively, the “Operating Performance Requirements”):

A. The CMET Project must successfully meet the performance requirements as specified in Appendix II and Appendix XII.

B. The CMG Aggregator shall demonstrate compliance with the requirements for Operational Coordination for communications, special operations and clearance requests pursuant to Section 3.4 to PG&E’s satisfaction.

C. PG&E and CMG Aggregator will mutually develop a CMET Project Performance Test not later than [date]. The Parties will perform a biennial (occurring every two [2] years) CMET Project Performance Test, or as PG&E, in its sole discretion, determines the need for a test, but not to exceed more than once every 12 months.

   a. As part of the CMET Project Performance Test, CMG Aggregator is to demonstrate that the CMET Project can successfully meet the operating requirements and required performance pursuant to the CMET Project Description of Operations in Appendix XII and the Microgrid Islanding Study in Appendix II as applicable. CMET Project Performance Test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.

   b. PG&E and CMG Aggregator will mutually develop and coordinate review and Parties will perform testing of the CMET Project Balance of System to demonstrate compliance with manufacturer's accepted specifications and applicable operating requirements pursuant to CMET Project Description of Operations detailed in Appendix XII. CMET Project Balance of System test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.

   c. As part of the CMET Project Performance Test, PG&E may, at its option, request CMG Aggregator to demonstrate to PG&E's satisfaction that its operating personnel are familiar with the Operating Performance Requirements, Procedures and Protocols in this Agreement to the CMET Project operating in Blue Sky Mode or in Island Mode and associated transitions between these operating modes.

[Note: Following section applicable for CMET Projects that have received Microgrid Incentive Program (MIP) funding only]

D. The CMG Aggregator shall maintain the CMET Project Resources that it controls within the Microgrid Boundary sufficient for PG&E to safely and reliably operate the microgrid for a minimum of ten years.

3.6. Failure to Meet CMET Operating Performance Requirements

If CMG Aggregator fails to satisfy all of the Operating Performance Requirements as set forth in Section 3.5, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement, and CMG Aggregator may be required to develop a cure or be subject to termination of the CMET Project pursuant to Section 5.2 of this Agreement.

4. SYSTEM CHANGE

4.1. Periodic Review

At any time and at its sole discretion, PG&E may perform a review of an existing CMET Project's Microgrid Islanding Study and evaluate the impact of any substantive changes in the original assumptions used in the CMET Project's applicable Microgrid Islanding Study regarding customer load, resources, or other operational or safety issues inside or outside the CMET Project Microgrid Boundary of an existing CMET Project that may represent a System Change which could render the CMET Project incapable of safely operating in Island Mode, or transitioning to and from Island Mode.

If, in PG&E's sole discretion, a Microgrid Islanding Study conducted pursuant to this Section 4.1 results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the Microgrid Islanding Study. If any Microgrid Islanding Study performed for the CMET Project after the initial Microgrid Islanding Study results in a determination that no upgrades are required, PG&E will bear the cost of that Microgrid Islanding Study.

4.2. CMG Aggregator Proposed Changes

A. Change or Modify CMET Project Resources or Loads

a) During the Operating Term, the CMG Aggregator may need or want to change, modify or add CMET Project Resources or incorporate CMG Aggregator-initiated changes in end-use customer loads (e.g., behind the meter resources or programs, new loads, etc.) within the existing CMET Project Microgrid Boundary. CMG Aggregator must notify PG&E of any such proposed changes in sufficient detail to allow PG&E to make a preliminary assessment if the proposed changes would constitute a System Change. CMG Aggregator will not make any changes to the existing CMET Project without first providing Notice to PG&E and fulfilling the requirements of this Section 4.2.

b) Upon receipt of CMG Aggregator's Notice of a proposed change as described in Section 4.2.A(a), PG&E will conduct a preliminary assessment to determine if the proposed changes would constitute a System Change. If, in PG&E's sole discretion, the proposed changes would not constitute a System Change, PG&E will provide Notice to CMG Aggregator if the proposed change is acceptable, or provide feedback on necessary modifications to the proposed change. If, in PG&E's sole discretion, the proposed changes constitute a System Change, PG&E will advise CMG Aggregator and request written authorization from CMG Aggregator to proceed with a new Microgrid Islanding Study.

c) If CMG Aggregator authorizes PG&E to proceed, PG&E will perform a new Microgrid Islanding Study, based on the CMG Aggregator's proposed changes as well as any other relevant operational conditions inside or outside the CMET Project Microgrid Boundary that PG&E deems appropriate. PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon its completion for review. The Microgrid Islanding Study will identify what new or incremental additions to existing Microgrid Resources, Special Facilities or Balance of System are required and what the cost estimate is for these changes.

d) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid

Islanding Study and the revised Description of Operations to review and sign the new/incremental Microgrid Special Facilities Agreement and the new/revised CMET Project Balance of System requirements. CMG Aggregator may request an engineering results review within ten (10) Business Days after receipt of the MIS to review the MIS findings with PG&E and determine what modifications, if any, may permit the safe and reliable Island Mode operation. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Island Mode.

e) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then no modifications will be made to the existing CMET Project and it will continue to operate under the existing MIS and Description of Operations.

B. Cost Responsibility

a) CMG Aggregator is responsible for and shall remit within forty-five days of invoicing to PG&E the cost of a new Microgrid Islanding Study conducted under Section 4.2.

b) The CMG Aggregator is responsible for all incremental costs associated with changes to the Microgrid SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.2, including any required changes to the Project Resource owner's Interconnection Agreements.

4.3. PG&E System Changes

A. New Microgrid Islanding Study

a) At any time during the Operating Term, PG&E may need to accommodate new generation interconnection, customer load changes/new connections or accommodate other operational conditions within and/or outside the Microgrid Boundary of an existing CMET Project which may, in PG&E's sole determination result in a System Change. CMG Aggregator Proposed Changes described in Section 4.2.A(a) are specifically excluded from the definition of PG&E System Changes described in this Section 4.3.

b) PG&E will notify the CMG Aggregator of any System Change identified pursuant to Section 4.3.A(a). If the System Change includes a new generation interconnection within the existing CMET Project Microgrid Boundary, PG&E will, subject to applicable confidentiality restrictions, notify the CMG Aggregator and the CMG Aggregator, in its sole discretion, may approach the owner of the new generation about potentially participating in the CMET Project.

c) Within fifteen (15) days of PG&E notifying the CMG Aggregator of a System Change involving new load or generation interconnection, PG&E will initiate a new Microgrid Islanding Study, assuming the new load, if applicable, will be integrated into the existing CMET Project and further assuming that the new generation (i.e., Non-Project Resource), if applicable, will not be integrated as a new CMET Project Resource within the existing CMET Project, unless specifically notified by the CMG Aggregator otherwise.

d) PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon completion for CMG Aggregator's review. The Microgrid Islanding Study will identify what new or incremental additions to existing CMET Project Resources, Special Facilities or Balance of System are required and provide a cost estimate for these changes.

e) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid Islanding Study (which will include a revised Description of Operations) to review and sign the new/incremental Microgrid Special Facilities Agreement and the new/revised CMET Project Balance of System and operational requirements. CMG Aggregator may request an engineering results review within ten (10) Business Days after receipt of the MIS to review the MIS findings with PG&E and determine what modifications, if any, may permit the safe and reliable Island Mode operation. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Islanding Mode.

f) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then PG&E will provide CMG Aggregator with an estimate of when the existing CMET Project will be terminated or suspended under provisions described in Section 1.2.

B. Cost Responsibility:

a) If, in PG&E's sole discretion, a Microgrid Islanding Study conducted pursuant to this Section 4.3 results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the Microgrid Islanding Study. Except as provided in Section 4.3.B(d), if any Microgrid Islanding Study performed for the CMET Project after the initial Microgrid Islanding Study results in a determination that no upgrades are required, PG&E will bear the cost of that Microgrid Islanding Study.

b) The CMG Aggregator is responsible for all incremental costs associated with changes to Microgrid SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.1 and Section 4.3, including any incremental required changes to the CMG Aggregator's Interconnection Agreement requirements due to the CMG Aggregator making modifications to the Project Resource(s).

c) The CMG Aggregator is not responsible for any costs associated with interconnection upgrades required to maintain safe grid operation during Blue Sky Mode as a result of a third party adding new generation or load within and/or outside the Microgrid Boundary of an existing CMET Project.

d) The CMG Aggregator is solely responsible for and shall remit within forty-five days of invoicing to PG&E the costs reasonably incurred by PG&E to conduct a Microgrid Islanding Study if a customer requests to be removed from the CMET Project or if the CMG Aggregator is amenable to including a customer requesting to be added to the CMET project.

C. Summary Table of Cost Responsibility

For convenience, the following table summarizes the cost responsibilities under various System Change scenarios described in Section 4.1, 4.2, and 4.3. To the extent any conflict arises between the summary in this Table and other provisions of this MOA, the other provision in the MOA Section Referenced column of the Table shall control.

System Change Category	System Change Scenario[1]	MOA Section Referenced	MIS Cost Responsibility	Microgrid Upgrade Cost Responsibility[2]
Load	Customer within microgrid changes panel sizing	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	New customer load application for interconnection within the Microgrid Boundary[4]	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	Customer outside microgrid requests to be included	4.3	CMG Aggregator	CMG Aggregator
	Customer within microgrid requests to be removed from microgrid	4.3	CMG Aggregator	CMG Aggregator
Generation	Non-Project Resources added (BTM or FTM generation)[4]	4.1 or 4.3	CMG Aggregator[3]	CMG Aggregator
	Project Resource modification or addition	4.2	CMG Aggregator	CMG Aggregator
	CMG Aggregator proposed load management solutions (e.g., demand response)	4.2	CMG Aggregator	CMG Aggregator
Operational changes	Changes at PG&E's discretion to support DSO role	4.1	Utility	Utility

Table 1: Responsible Party for costs associated with a MIS and/or microgrid upgrade costs due to System Changes.

[1] PG&E, at its sole discretion, determines whether these scenarios result in a System Change requiring the need for a MIS.
[2] PG&E must agree to proposed upgrades before upgrades occur.
[3] For the identified System Change scenarios, if the MIS results in required upgrades to the CMET Project, the CMG Aggregator shall be responsible for and remit within forty-five days of invoicing to PG&E the costs incurred by PG&E to conduct the MIS. If any MIS performed for the CMET Project after the initial MIS results in a determination that no upgrades are required, PG&E will bear the cost of that MIS.
[4] If a new customer or Non-Project Resource are uninterested in being included in the CMET Project, the customer or responsible party for the Non-Project Resource are responsible for any associated costs to be exclude from the CMET Project.

5. EVENTS OF DEFAULT, REMEDIES AND DEFAULT

5.1. Events of Default

A. CMG Aggregator

The CMG Aggregator will be deemed a “Defaulting Party" upon the occurrence of any of the following (each a “CMG Aggregator’s Event of Default”):

a) CMG Aggregator fails to satisfy a Development Condition by the required Development Milestone date.

1. If a CMG Aggregator anticipates that it will be unable to meet a Development Condition or Development Milestone for any reason, it shall immediately notify PG&E of the reason(s) for not meeting the Development Condition or Development Milestone and (1) propose the earliest reasonable alternate date and the means by which CMG Aggregator can attain this and future Development Conditions or Development Milestones, and, (2), if PG&E agrees with such extension request, the Parties will make appropriate amendments to Appendix III-A and/or Appendix III-B.

2. PG&E may decline to enter into such an amendment in its reasonable discretion, including, without limitation, if (1) it anticipates that it may suffer uncompensated economic or operational harm from the delay, (2) attainment of the same Development Condition or Development Milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the Development Condition or Development Milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

b) The CMG Aggregator fails to satisfy the Operating Performance Requirements for the CMET Project as set forth in Section 3.5 of this Agreement, as determined by PG&E in its reasonable discretion.

c) The CMG Aggregator fails to complete any of Appendices or related documents contemplated in the Appendices pursuant to the terms and conditions set forth in Article 2 CMET Project Development of this Agreement.

[Note: Following section applicable for CMET Projects that have received MIP funding only]

d) The CMG Aggregator fails to maintain the CMET Project Resources that it controls within the Microgrid Boundary sufficient for PG&E to safely and reliably operate the microgrid for a minimum of ten years.

B. Either Party

Either Party will be deemed a “Defaulting Party” if a Party fails to perform any of its material obligations or covenants under this Agreement when and as required, and such failure is not otherwise addressed in this Section 5.1 (each an “Event of Default”).

5.2. Default Notice & Remedy

A. Upon a Default, the non-defaulting Party shall give written notice of such Default to the Defaulting Party. The Defaulting Party shall have sixty (60) Calendar Days from receipt of the Default Notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) Calendar Days, the Defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

B. If a Default is not cured as provided in this Section 5.2, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section 5.2.B will survive termination of this Agreement.

5.3. Waiver

A. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

B. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

6. GOVERNMENTAL CHARGES

6.1. Cooperation

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

6.2. Governmental Charges

CMG Aggregator shall pay or cause to be paid all taxes or fees imposed by any Governmental Authority (Governmental Charges) on or with respect to the CMET Project, by reason of the execution, delivery, performance or enforcement of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Law.

7. COVENANTS

7.1. General Covenants

Each Party covenants throughout the Term of this Agreement as follows:

A. It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and qualified to conduct business in the State of California and in all jurisdictions where ownership of its properties or its operations require such qualifications, except where the failure to do so would not have a material adverse effect on its financial condition, its ability to own its properties or transact its business, or to carry out the transactions contemplated hereby;

B. It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

C. It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it;

D. It shall follow all rules, orders and tariffs approved or established by the CPUC and the CAISO with respect to any energy storage CMET Project Resource, including, but not limited to the multiple use application rules set forth in Appendix A of CPUC Decision 18-01-003 as that Decision may be revised in the future.

7.2. Covenants of CMG Aggregator

CMG Aggregator covenants to and for the benefit of PG&E that throughout the Operating Term (unless another time period is specified):

A. It shall operate the CMET Project during the Operating Term in accordance with the Operating Performance Requirements, Procedures and Protocols in Appendix XII and the Safety Requirements, and,

B. It shall comply with all applicable Laws, Applicable Rules and Standards, and Utility Distribution Company, Participating Transmission Owner, and CAISO Tariff requirements applicable to the CMET Project.

C. [For CMG Aggregators that are Tribal entities]. It shall be bound by the terms and conditions set forth in Appendix XIII.

8. LIABILITY, INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

8.1. Limitation of Remedies, Liability and Damages

EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE

IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION (OTHER THAN IN SECTION 8.2) OR OTHERWISE EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 8.2, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

8.2. Indemnity

A. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement as applicable to the CMET Project. Liability under this provision is exempt from the general limitations on liability found in Section 8.1.

B. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

C. If an indemnified person is entitled to indemnification under this Section 8.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 8.2, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

D. If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this Section 8.2, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

E. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 8 may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

8.3. Insurance

A. As of the Effective Date and throughout the Term (and for such additional periods as may be specified in this Section 8.3), the CMG Aggregator shall, at its own expense, provide and maintain in effect the insurance policies and minimum limits of coverage specified in this Section 8.3, and such additional coverage as may be required by Applicable Law, with insurance companies which are authorized to do business in the state in which the services are to be performed and which have an A.M. Best's Insurance Rating of not less than A-:VII. The minimum insurance requirements specified in this Section 8.3 do not in any way limit or relieve CMG Aggregator of any obligation assumed elsewhere in this Agreement, including, but not limited to, CMG Aggregator's defense and indemnity obligations.

a) Workers' Compensation Insurance with the statutory limits required by the state having jurisdiction over CMG Aggregator's employees.

b) Employer's Liability Insurance with limits of not less than:

   1. Bodily injury by accident – One Million dollars ($1,000,000) each accident;
   2. Bodily injury by disease – One Million dollars ($1,000,000) policy limit; and
   3. Bodily injury by disease – One Million dollars ($1,000,000) each employee

c) Commercial General Liability Insurance, (which, except with the prior written consent of PG&E and subject to Sections 8.3.A.(b)(1) and (2), shall be written on an "occurrence," not a "claims-made" basis), covering all operations by or on behalf of CMG Aggregator arising out of or connected with this Agreement, including coverage for bodily injury, broad form property damage, personal and advertising injury, products/completed operations, and contractual liability. Such insurance shall bear a combined single limit per occurrence and annual aggregate of not less than one million dollars ($1,000,000), exclusive of defense costs, for all coverages. Such insurance shall contain standard

cross-liability and severability of interest provisions. If CMG Aggregator elects, with PG&E's written concurrence, to use a "claims made" form of Commercial General Liability Insurance, then the following additional requirements apply:

1. The retroactive date of the policy must be prior to the Effective Date; and
2. Either the coverage must be maintained for a period of not less than four years after the Agreement terminates, or the policy must provide for a supplemental extended reporting period of not less than four years after the Agreement terminates.

d) Commercial Automobile Liability Insurance covering bodily injury and property damage with a combined single limit of not less than $1,000,000 per occurrence. Such insurance shall cover liability arising out of CMG Aggregator's use of all owned (if any), non-owned and hired automobiles in the performance of the Agreement.

e) Umbrella/Excess Liability Insurance, written on an "occurrence," not a "claims-made" basis, providing coverage excess of the underlying Employer's Liability, Commercial General Liability, and Commercial Automobile Liability insurance, on terms at least as broad as the underlying coverage, with limits of not less than $10,000,000 per occurrence and in the annual aggregate. The insurance requirements of this Section 8.3 can be provided by any combination of CMG Aggregator's primary and excess liability policies.

B. The insurance required in Section 8.3.A apply as primary insurance to, without a right of contribution from, any other insurance maintained by or afforded to PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, and employees, regardless of any conflicting provision in CMG Aggregator's policies to the contrary. To the extent permitted by Applicable Law, CMG Aggregator and its insurers are required to waive all rights of recovery from or subrogation against PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees and insurers. The Commercial General Liability and Umbrella/Excess Liability insurance required above shall name PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents and employees, as additional insureds for liability arising out of CMG Aggregator's construction, ownership or operation of the CMET Project.

C. At the time this Agreement is executed, or within a reasonable time thereafter, and within a reasonable time after coverage is renewed or replaced, CMG Aggregator shall furnish to PG&E certificates of insurance evidencing the coverage required in this Section 8.3, written on forms and with deductibles reasonably acceptable to PG&E. All deductibles, co-insurance and self-insured retentions applicable to the insurance above shall be paid by CMG Aggregator. All certificates of insurance shall note that the insurers issuing coverage shall endeavor to provide PG&E with at least 30 days' prior written notice in the event of cancellation of coverage. PG&E's receipt of certificates that do not comply with the requirements stated herein, or CMG Aggregator's failure to provide certificates, does not limit or relieve CMG Aggregator of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 8.3 and does not constitute a waiver of any of the requirements in

this Section 8.3.

D. If CMG Aggregator fails to comply with any of the provisions of this Section 8.3, CMG Aggregator, among other things and without restricting PG&E's remedies under the Applicable Law or otherwise, shall, at its own cost and expense, act as an insurer and provide insurance in accordance with the terms and conditions above. With respect to the required Commercial General Liability, Umbrella/Excess Liability and Commercial Automobile Liability insurance, CMG Aggregator shall provide a current, full and complete defense to PG&E, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above.

E. CMG Aggregator has the right to self-insure to comply with CMG Aggregator's obligations under this Section 8.3. The insurance carrier or carriers and form of policy (including any deductible amount), or any plan for self-insurance shall be subject to review and approval by PG&E, which approval may not be unreasonably withheld, conditioned or delayed.

9. ASSIGNMENT

9.1. General Assignment

Neither Party will assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent will not be unreasonably conditioned, delayed, or withheld so long as (a) the assignee assumes the transferring Party's performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder, (d) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request, and (e) in the case of CMG Aggregator as the transferring Party with a transfer to an assignee that will have operational control of the CMET Project, CMG Aggregator delivers to PG&E, upon PG&E's request, documentation to demonstrate the assignee is capable of satisfying and complying with all provisions of this Agreement.

9.2. Assignment in Connection with a Change in Control

Any direct change of control of CMG Aggregator or CMG Aggregator's Parent (whether voluntary or by operation of Law) is deemed an assignment and shall require the prior written consent of PG&E which consent shall not be unreasonably conditioned, delayed or withheld, provided that the requirements identified in Section 9.1(a) through (e) are met. CMG Aggregator shall use commercially reasonable efforts to provide PG&E (a) Notice at least ten (10) days prior to the effectiveness of any indirect change in control, and shall in any event provide such Notice no later than ten (10) Business Days after the indirect change in control, and (b) such other information as PG&E may reasonably request in connection with such change in control.

9.3. Unauthorized Assignment

Any attempted assignment that violates this Article 9 is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the CMG Aggregator. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

10. DISPUTE RESOLUTION

The Parties agree to attempt to resolve all disputes associated with this Agreement according to the provisions of this Article 10.

10.1. Notification and Negotiation

A. In the event of a dispute, the dispute shall be documented in a written Notice by the aggrieved Party to the other Party containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express Notice by the aggrieved Party that it is invoking the procedures under this Article 10. The Notice shall be sent to the Party's email address and physical address set forth under Notices in Appendix VII. A copy of the Notice shall also be sent to the Energy Division, Office of the Director, at the Commission. The receiving Party shall acknowledge the notice within five (5) Calendar Days of its receipt.

B. Upon the aggrieved Party notifying the other Party of the dispute, each Party must designate a representative with the authority to make decisions for its respective Party to review the dispute within seven (7) Calendar Days.

C. Upon receipt of Notice, receiving Party shall provide the aggrieved Party with all relevant regulatory and/or technical details and analysis regarding the CMET Project under dispute within twenty-one (21) Calendar Days.

D. Within forty-five (45) Calendar Days of the date of the Notice, the Parties' Authorized Representatives will be required to meet and confer to try to resolve the dispute. Parties are expected to operate in good faith and use best efforts to resolve the dispute.

E. If a resolution is not reached in forty-five (45) Calendar Days from the date of the notice, either 1) a Party may request to continue negotiations for an additional forty-five (45) Calendar Days or 2) the Parties may by mutual agreement make a written request for mediation to the Alternative Dispute Resolution (ADR) Coordinator in the Commission's Administrative Law Judge (ALJ) Division. The request may be submitted by electronic mail to adr_program@cpuc.ca.gov. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

F. At any time, either Party may file a formal complaint before the Commission pursuant to California PUC section 1702 and Article 4 of the Commission's Rules of Practice and Procedure. Nothing in this section shall be construed to limit the rights of any Party to exercise

rights and remedies under California law.

10.2. Performance During Dispute

A. Pending resolution of any dispute under this Article 10, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement unless this Agreement has been terminated.

B. If a dispute for which a Party has provided a Notice pursuant to this Article 10 remains unresolved to the satisfaction of either Party more than sixty (60) days following receipt of the Notice, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

11. INTELLECTUAL PROPERTY, AGREEMENT DELIVERABLES AND USE RIGHTS

11.1. OWNERSHIP OF DELIVERABLES AND PROPRIETARY RIGHTS. PG&E shall own all data, reports, information, manuals, computer programs or other written, recorded, photographic or visual materials, proprietary rights, intellectual property or other deliverables produced or owned by PG&E in the performance of this Agreement. CMG Aggregator shall retain no interest, title or ownership including, but not limited to energy usage data and customer specific information, provided by PG&E.

11.2. CMG AGGREGATOR'S USE OF PG&E PROPERTY: All records, reports, computer programs, written procedures and similar materials, documents or data, in whatever form, provided by PG&E for CMG Aggregator's use to perform Work, shall remain PG&E's Confidential Information and property and be returned immediately upon completion of CMG Aggregator's use for performance of the Work or earlier upon PG&E's request. Alternatively, CMG Aggregator may destroy such information, provided an officer of CMG Aggregator certifies the destruction in writing.

12. CONFIDENTIALITY AND DATA SECURITY

12.1. CONFIDENTIALITY:

A. CMG Aggregator and PG&E entered into a Mutual Nondisclosure Agreement dated as of [_____] in substantially the form of Appendix VI, attached hereto, and agrees to comply with the terms of Appendix VI with respect to the Confidential Information and Personal Information (as defined in that Appendices) it collects, uses or otherwise obtains in the performance of this Agreement.

B. If CMG Aggregator is in doubt about whether certain information is Confidential Information subject to Appendix VI, CMG Aggregator agrees to treat such information as Confidential Information.

12.2. MALICIOUS CODE:

CMG Aggregator represents, warrants, and covenants to PG&E that upon delivery to PG&E the deliverables and work provided to PG&E will not contain or make available any Malicious Code. For purposes of this paragraph, "Malicious Code" shall mean any (i) "back door," "drop dead device," "time bomb," "Trojan horse," "virus," "ransomware," or "worm" (as such terms are commonly understood in the software industry) or (ii) other code designed or intended to have, or capable of performing, any of the following functions: (a) disrupting, disabling, harming, interfering with or otherwise impeding in any manner the operation of, or providing unauthorized access to, an information technology system on which such code is stored or installed or (b) damaging or destroying any data or file without the user's consent. If CMG Aggregator detects or is made aware of Malicious Code in any deliverable or work provided to PG&E, CMG Aggregator shall immediately notify PG&E. If PG&E has not put the Deliverables into use, CMG Aggregator shall remove such Malicious Code.

13. GENERAL PROVISIONS

13.1. General

All attached Appendices are hereby incorporated by reference and are made part of this Agreement. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). The headings used herein are for convenience and reference purposes only.

13.2. Severability

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

13.3. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by e-mail will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by e-mail will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

13.4. Mobile Sierra

Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to the Federal Energy Regulatory Commission (FERC) pursuant to the provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party, or the FERC acting sua sponte shall be the "public interest" standard of review set forth in United States Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) , and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

13.5. Interpretation

The following rules of interpretation apply:

A. The term "including" means "including without limitation"; the terms "year" and "calendar year" mean the period of months from January 1 through and including December 31; the term "month" means a calendar month unless otherwise indicated, and a "day" means a 24-hour period beginning at 12:00:01 a.m. and ending at 12:00:00 midnight; provided that a "day" may be 23 or 25 hours on those days on which daylight saving time begins or ends, respectively.

B. Unless otherwise specified herein, where the consent of a Party is required, such consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

C. Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then exist at the applicable time to which such construction applies unless otherwise specified.

D. In the event of any conflict between the terms and conditions of this Agreement and any of the following agreements, the terms and conditions of the following agreements will control: the CMET, any CMET Project Interconnection Agreements under PG&E's Electric Rule 21 or PG&E's Wholesale Distribution Tariff, PG&E's Electric Rule 2, and any Microgrid Special Facilities Agreements.

E. Capitalized terms used in this Agreement, including the appendices hereto, have the meaning set forth in Appendix I, unless otherwise specified.

F. References in the singular include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons include partnerships, firms, companies, corporations, limited liability companies, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have

corresponding meanings.

G. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Words referring to market rules, activities and practice have the meaning generally ascribed to such words in California.

H. References to a particular Article, subsection, paragraph, subparagraph, appendix or attachment will, unless specified otherwise, be a reference to that Article, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

I. Any reference in this Agreement to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity succeeding to its functions.

J. All references to dollars or "$" are to U.S. dollars.

K. When an action is required to be completed on a Business Day, such action must be completed prior to 5:00 p.m. on such day, Pacific prevailing time, and actions occurring after 5:00 p.m. (such as the delivery of a Notice) will be deemed to have occurred on the following Business Day.

13.6. Recordings

No conversation between the Parties may be recorded by a Party without the express consent of the other Party.

13.7. Authorized Representatives

Each Party shall provide Notice to the other Party of the persons authorized to make or receive other Notices on behalf of such Party or to represent a Party ("Authorized Representative") and in connection with such Notices and specify the scope of their individual authority and responsibilities. Either Party may change its designation of such persons and the scope of their individual authorities and responsibilities from time to time in its sole discretion by providing Notice.

13.8. No Dedication

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. No undertaking by one Party to the other Party under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of PG&E as an independent public utility corporation or CMG Aggregator as an independent individual or entity.

13.9. Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

13.10. Taxes

A. The Parties agree to follow all applicable tax laws and regulations.

B. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PG&E's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

13.11 Audit

A. PG&E has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the CMG Aggregator, or visit the CMET Project site, to the extent reasonably necessary to verify the accuracy of any report or documentation provided to PG&E pursuant to this Agreement.

13.12 Regulatory Oversight

A. This Agreement shall be subject to changes or modifications by the Public Utilities Commission of the State of California, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

[Note: Section 13.13 applicable solely if CMG Aggregator is a sovereign Indian tribe]

13.13 Limited Waiver of Sovereign Immunity

A. CMG Aggregator agrees to provide a limited waiver of sovereign immunity as set forth in Appendix XIII.

14. NOTICES

14.1. Notices

Whenever this Agreement requires or permits delivery of a Notice (or requires a Party to "Notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. Notices may be sent by overnight mail or courier or e-mail. Invoices may be sent by e-mail. A Notice sent by e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a Notice by

overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Appendix VII contains the names and addresses to be used for Notices.

SIGNATURES

Agreement Execution

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its Authorized Representative as of the dates provided below:

_____*[CMG Aggregator]*_____, a _____ company	**PACIFIC GAS AND ELECTRIC COMPANY, a California corporation**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX I-A – Acronyms

CAISO - California Independent System Operator

CCA - Community Choice Aggregator

CMET - Community Microgrid Enablement Tariff

CMG - Community Microgrid

CPUC - California Public Utilities Commission

FERC – Federal Energy Regulatory Commission

IOD - Islanding Operation Date

MIS - Microgrid Island Study

MOA - Microgrid Operating Agreement

PG&E - Pacific Gas and Electric Company

PSP – Public Safety Partner

APPENDIX I-B – General Definitions

1. **Affiliate**. Affiliate of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative or agent or subsidiary of the Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, through one or more intermediaries, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.
2. **Alternative Dispute Resolution (ADR)**. ADR means processes, such as facilitation, negotiation, mediation, and early neutral evaluation (or a combination of those techniques), that help disputants resolve a conflict without a formal decision by a court or agency.
3. **Applicable Rules and Standards**. PG&E's approved tariffs, as those tariffs may be updated from time to time, including, but not limited to, PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff, CMET and PG&E's Electric Rule 21.
4. **Authorized Representative**. As defined in Section 13.7.
5. **Blue Sky Mode**. The normal mode of operation when the Community Microgrid is Interconnected to and operating in parallel with the Distribution System, is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
6. **Business Day**. Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving.
7. **CAISO**. The California Independent System Operator Corporation or any successor entity performing similar functions.
8. **CAISO Tariff**. The CAISO Fifth Replacement FERC Electric Tariff and protocol provisions, including any CAISO-published procedures or business practice manuals, as they may be amended, supplemented or replaced (in whole or in part) from time to time.
9. **Calendar Day**. Any day, including Saturday, Sunday or a Federal and State Holiday.
10. **California Public Utility Commission ("Commission" or "CPUC")**. The Public Utilities Commission of the State of California.
11. **CMET Project**. Tangible and non-tangible assets, facilities, and equipment needed to create and operate a Community Microgrid, including the CMET Project Resources, Microgrid Special Facilities, CMET Project Balance of System, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to this CMET.
12. **CMET Project Balance of System**. All of the CMET Project tangible and non-tangible assets, facilities, and equipment owned or controlled by the CMG Aggregator, other than the CMET Project Resources, necessary to meet the requirements of the CMET Project as identified in the Microgrid Islanding Study and listed in Appendix V – CMET Project

Resources and CMET Project Balance of System Facilities.

13. **CMET Project Commissioning Test**. A full scope test as defined in Appendix VIII-B performed on-site to demonstrate the CMET Project's ability to meet the operational safety and performance requirements as installed including the CMG Aggregator's ability to provide support, maintenance, and logistical requirements as needed. This test must be performed prior to Islanding Operation Date or any time interface hardware or software is changed that may affect islanding functions. CMET Project Performance Test. Test procedures to verify the CMET Project's ability to operate safely and meet the performance obligations according to the requirements specified in this Agreement. Each CMET Project Performance Test will be conducted in general accordance with the procedures set forth in the Performance Testing Technical Criteria detailed in Appendix VIII-A and Operational Protocols and Procedures detailed in Appendix XII [and as applicable: other performance test codes, depending on the technology, products, and operational limitations].

14. **CMET Project Performance Testing Technical Criteria**. A set of performance and testing requirements (criteria) developed by PG&E and defined in the Microgrid Islanding Study final report and attached as Appendix VIII-A that must be satisfied by the CMG Aggregator before the CMET Project can achieve Islanding Operation Date.

15. **CMET Project Resource(s)**. Electric generation, storage technology, and/or load management technology that the CMG Aggregator has control over consistent with relevant provisions in this Agreement to enable the CMET Project to safely and reliably operate in Island Mode. The CMG Aggregator must have at least one Grid-Forming Project Resource that has a resource controller and has grid-forming capability sufficient to allow acceptable frequency and voltage during Island Mode operation. Project Resources must comply with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation, and must be interconnected to the Distribution System within the Microgrid Boundary (either directly as front-of-the-meter Project Resources or indirectly as behind-the-meter Project Resources) pursuant to the Wholesale Distribution Tariff or PG&E's Electric Rule 21.

16. **Community Microgrid (CMG)**. As defined in PG&E's Community Microgrid Enablement Tariff.

17. **Community Microgrid Aggregator (CMG Aggregator)**. The entity that is counterparty to PG&E in this agreement. The entity that coordinates control of distributed resources, including Project Resources, consistent with relevant provisions of PG&E's Electric Rule 2, PG&E's Wholesale Distribution Tariff Generator Interconnection Procedures, and PG&E's Electric Rule 21 including frequency and voltage and other power quality requirements within PG&E established control parameters to enable the CMET Project to operate in Island Mode.

18. **Community Microgrid Aggregator Parent (CMG Aggregator Parent)**. Any entity or Person that directly holds fifty percent (50%) or more of the equity interests in CMG Aggregator.

19. **Confidential Information**. As defined in Article 12 of this Agreement.

20. **Contractor**. The engineering, procurement and construction contractor and its subcontractors, as well as Seller or Seller's Affiliates Dand their subcontractors if any such entities are developing, constructing, operating or maintaining the CMET Project during the Term, and any entity or person under contract with the engineering, procurement and construction contractor and its subcontractors, for the purpose of developing, constructing, operating or maintaining the CMET Project during the Term.

21. **Contractor Safety Program Requirements**. Means all of the following:

    (a) The standards in PG&E's Contractor Safety Program Contract Requirements regarding pre-qualification requirements and safety requirements for work as if CMG Aggregator were a contractor performing high or medium risk work for PG&E thereunder, which as of the Effective Date can be found at

    https://www.pge.com/includes/docs/pdfs/b2b/purchasing/suppliers/contractorsafety/ContractorSafetyProgram_Requirements.pdf; and

    (b) The standards in Section 2.2 of the Settlement Agreement and Corrective Action Plan of Pacific Gas and Electric Company before the CPUC dated February 10, 2015 (Investigation 14-08-022).

    (c) Any additional, supplementary or successor safety standards, processes, or requirements, implemented or deemed appropriate by PG&E during the Term and applicable to CMG Aggregator, its Contractors and Subcontractors performing work related to the CMET Project.

22. **Defaulting Party**. The Party that is subject to an Event of Default.

23. **Deliverables**. Deliverables shall mean any product of Work furnished by one Party to the other including data, reports, information, manuals, computer programs, hardware, software, firmware, equipment, code, or other written, recorded, photographic or visual materials, proprietary rights, or intellectual property.

24. **Description of Operations**. The engineering report resulting from the Microgrid Islanding Study that describes the CMET Project functional operation and identifies the technical requirements for PG&E's Distribution System and the CMG Aggregator's Balance of System and Project Resources to provide the Microgrid Boundary and Island mode operation including minimum Project Resource energy production availability and capabilities. The Description of Operations will also identify the protection and control and related systems requirements for safe operation and to maintain voltage, frequency and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

25. **Designated CMET Project Operating Representative**. Designated operating representative(s) to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the CMET Project.

26. **Designated PG&E Distribution Control Center**. The PG&E location identified in of this Agreement, with operational jurisdiction over the Load Entity's Substation. The

Designated PG&E Distribution Control Center is staffed 24 hours a day.

27. **Development Conditions**. The actions that CMG Aggregator must take and provide PG&E with notice of during the Development Term.
28. **Development Milestones**. Key development activities and the agreed upon completion dates required for the development and operation of the CMET Project as set forth in Appendix III of this Agreement.
29. **Development Term**. The "Development Term" is the period commencing on the Effective Date and shall remain in effect until the CMET Project Islanding Operation Date (IOD), unless sooner terminated in accordance with Section 1.2 of this Agreement.
30. **Distribution Customer**. An end-use customer taking Distribution Service from PG&E.
31. **Distribution Provider**. PG&E, which owns, controls, and operates facilities used to provide Distribution Service to the customers within the Microgrid Boundary under this CMET.
32. **Distribution Service**. The transporting of electric power over and through various PG&E facilities owned by the Distribution Provider for delivery to a Distribution Customer.
33. **Distribution System**. PG&E's distribution system broadly consists of the stepdown transformation within substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors including service drops and meters.
34. **Distribution Upgrades**. The additions, modifications, and upgrades to PG&E's Distribution System necessary to facilitate construction and microgrid operation of the CMET Project. Distribution Upgrades do not include the CMG Aggregator's CMET Project Balance of System.
35. **Effective Date**. The later of the date upon which both Parties have executed this Agreement.
36. **Emergency**. An abnormal condition or situation that adversely affects, or potentially may adversely affect, PG&E's Electric System Integrity.
37. **Emergency Event**. As determined by PG&E in its reasonable discretion, a condition or situation requiring prompt action by PG&E (a) to maintain the reliable operation of the Distribution System; (b) to prevent or limit the loss of load or generation; (c) to maintain public safety or the safety of PG&E's personnel; (d) to protect PG&E, Customer, or third-party property; or as a Scheduled Island Mode as a preventative action ahead of impending weather events or natural disasters or in response to other unusual conditions.
38. **Event of Default**. The failure of a Defaulting Party to cure a default under this Agreement.
39. **Federal Power Act**. 16 U.S. Code Chapter 12 – Federal Regulation and Development of Power.
40. **Governmental Authorities**. Any federal, state, local or municipal government,

governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

41. **Grid Forming Project Resource(s)**. Is a Project Resource that, among other features, has the ability to (i) black start the CMET Project when in island Mode and deenergized, and (ii) provide voltage and frequency stability and control within a range acceptable to PG&E during Island Mode operation.

42. **In-Service Date**. The date upon which the CMG Aggregator, in coordination with PG&E, reasonably expects it will have received Permission to Operate the CMET Project and be ready to begin joint CMET Project Commissioning Testing.

43. **Interconnection Agreement**. The agreement and associated documents or any successor agreement and associated documentation governing the terms and conditions of the interconnection of the Project Resource(s) with PG&E's grid, including any description of the plan for interconnecting the Project Resource(s) to the grid.

44. **Island Mode**. Operation of the Microgrid by the Distribution Provider when a Microgrid that normally operates in "Blue Sky" Mode (parallel mode) is disconnected from the Distribution System at the Microgrid Islanding Point. The Distribution Provider will operate the Microgrid in Island Mode by (i) direct dispatch of CMET Project Resources within the CMET Project Microgrid Boundary, and/or (ii) by authorizing CMET Project Resources to operate within parameters specified by the Distribution Provider for voltage, frequency, and power quality.

45. **Islanding Operation Date**. Means the date stated in the "Islanding Operation Date Confirmation Letter" attached as Appendix XI-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.

46. **Islanding Operations**. The period upon which the CMG Project begins islanding operations as further defined in Section 2.2.C.

47. **Law**. Any statute, law, treaty, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which become effective during the Term; or any binding interpretation of the foregoing.

48. **Licensed Professional Engineer**. A person acceptable to PG&E in its reasonable judgment who (a) is licensed to practice engineering in California, (b) has training and experience in the power industry specific to the technology of the Project, (c) has no economic relationship, association, or nexus with CMG Aggregator or PG&E, other than to meet the obligations of CMG Aggregator pursuant to this Agreement, (d) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the CMET Project or of a manufacturer or supplier of any equipment installed at the CMET Project, and (e) is licensed in an appropriate engineering discipline for the required certification being made.

49. **Local Governmental Authority**. A California city, county, or other joint powers authority, such as a Community Choice Aggregator.

50. **Malicious Code**. Collectively, any malicious or unauthorized code, scripts, routines or techniques (including without limitation any virus, spyware, ransomware or other malware) that is designed to erase data or programming, or infect, impair, modify, record, take control of, disrupt, damage, destroy, disable, shut down or permit or cause unauthorized access to or misuse of a computer system or any component thereof.

51. **Microgrid**. An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined Microgrid Boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel (Blue Sky Mode) with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.

52. **Microgrid Boundary**. An electrically contiguous area beyond a Microgrid Islanding Point on the Distribution System that defines a microgrid as a single controllable entity.

53. **Microgrid Islanding Point(s)**. The point(s) (e.g., line recloser) owned and operated by PG&E on PG&E's Distribution System that allow(s) the microgrid to separate from and reconnect to the rest of the Distribution System.

54. **Microgrid Islanding Study (MIS)**. An engineering study conducted by PG&E or its agents of the microgrid operation in an Island Mode and operating mode transitions. The study shall determine the required modifications to PG&E's distribution facilities and associated cost required to support Island Mode operation and microgrid transitions while maintaining voltage, frequency, and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2.

55. **Microgrid Special Facilities**. Modifications to the Distribution Provider's distribution facilities required to operationalize the Microgrid Boundary and Island Mode such that the Microgrid is capable of maintaining voltage, frequency and power quality within the Distribution Provider's control parameters in accordance with PG&E's Electric Rule 2. This shall include all CMET Project tangible and non-tangible assets, facilities, and equipment owned or controlled by PG&E that are necessary to meet the requirements of the CMET Project as identified in the Microgrid Islanding Study.

56. **Microgrid Special Facilities Agreement or "Microgrid SFA"**. The agreement that describes the upgrades on the Distribution System, and at the Project Site to be installed under the terms and conditions regarding Microgrid Special Facilities (or added facilities) on file with the Commission, pursuant to PG&E's Electric Rule 2, and incorporated in Appendix IV-B.

57. **Non-Holiday**. Any day that is not a National Electric Reliability Council defined holiday which includes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

58. **Non-Project Resource(s)**. Electric generation, storage technology, and/or demand

management technology within the Microgrid Boundary that are not Project Resources.

59. **Notice**. Unless otherwise specified in this Agreement, means a written communication which is delivered by overnight mail or courier service or electronic messaging (email), and in the manner required by Article 13, as applicable to a given communication.

60. **Operating Performance Requirements**. As defined in Section 3.5 of this Agreement.

61. **Operating Performance Requirements, Procedures and Protocols**. As described and defined in Appendix XII.

62. **Operating Term**. The Operating Term is the period commencing on the CMET Project Islanding Operation Date, as such term is defined in Section 2.2 and ending upon expiration or termination of this Agreement.

63. **Participating Transmission Owner**. An entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid.

64. **Permission to Island**. The permission granted by PG&E to a CMG Aggregator to operate a CMET Project when the CMET Project is ready to maintain voltage, frequency and power quality within PG&E control parameters in accordance with PG&E's Electric Rule 2 in Island Mode and safely transition from Blue Sky Mode to Island Mode, operate in Island Mode and transition back to Blue Sky Mode.

65. **Permit**. Any waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, license or similar order of or from, or filing or registration with, or notice to, any Governmental Authority that authorizes, approves, limits or imposes conditions upon a specified activity.

66. **Personal Information**. Any data or information defined as personal information in California Civil Code Section 1798.140(o) and any information that can be used to directly or indirectly identify a PG&E customer or employee.

67. **PG&E Data**. As defined in Appendix VI of this MOA.

68. **PG&E Electric System Integrity**. The state of operation of PG&E's electric system in a manner that is deemed to minimize the risk of injury to persons and/or property and enable PG&E to provide adequate and reliable electric service to its customers.

69. **PG&E Interconnection Handbooks**. PG&E's manual that provides information on how to interconnect generating facilities or distributed generation to PG&E's electrical Distribution System as currently in effect at https://www.pge.com/en_US/large-business/services/alternatives-to-pge/distribution-handbook.page

70. **PG&E Process, Procedures and Standards**. Practices, policies, methods, codes and acts engaged in or approved by PG&E and applicable to the CMET Project during the relevant time period, or any of the practices, policies, methods, codes and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, that could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety and expedition.

71. **Project Implementation Plan**. A detailed description of actions that demonstrate how the CMET Project shall be developed to meet Milestones and operational requirements such as the Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, and operational and maintenance procedures and protocols for the CMET Project.

72. **Project Safety Plan**. CMG Aggregator's written plan that includes the Safeguards and plans to comply with the safety requirements and shall include the items that are generally outlined in Appendix IX.

73. **Project Safety Plan Documents**. Information and documentation listed in Appendix IX.

74. **Public Safety Partner (PSP)**. As defined on pages 84-85 of California Public Utilities Commission Decision 21-06-034, as that Decision or definition may be updated or otherwise revised by the California Public Utilities Commission.

75. **Regulatory Authority**. A government agency or body that regulates businesses or other entities under their jurisdiction in the public interest.

76. **Safeguard**. Any procedures, practices, or actions with respect to the CMET Project, a Site or Work for the purpose of preventing, mitigating, or containing foreseeable accidents, injuries, damage, release of hazardous material or environmental harm.

77. **Safety Attestation**. A written attestation or certification from a Licensed Professional Engineer substantially in the form attached hereto as Appendix XI-A.

78. **Safety Requirements**. Prudent Electrical Practices, CPUC General Order No. 167, Contractor Safety Program Standards, and all applicable requirements of Law, the Utility Distribution Company, the Transmission Provider, Governmental Approvals, the CAISO, CARB, NERC and WECC.

79. **Scheduled Island Mode**. A Microgrid operating in Island Mode that is scheduled and coordinated between the CMG Aggregator and PG&E.

80. **Site(s)**. The real property or properties on which one or more CMET Project Resources or CMET Project Balance of System comprising the CMET Project is located, as identified in Appendix II and as may be updated from time to time.

81. **State**. The State of California.

82. **System Change**. Any change in Project Resources, Non-Project Resources, or customer loads within the Microgrid Boundary, or other affected systems outside the Microgrid Boundary that has a material impact on the ability of a CMET Project to function in Island Mode.

83. **Term**. The Development Term AND the Operating Term of this MOA.

84. **Transmission Provider**. Means the CAISO.

85. **Tribal Governmental Authority.** The governing authority, having jurisdiction as to the matter in question, for a group identified as a "California Native American tribe", meaning a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. See Cal. Pub. Res. Code § 21073. California Native American tribes include

both federally recognized tribes and tribes that are not recognized by the federal government.

86. **Unscheduled Island Mode**. A Microgrid operating in Island Mode that is not scheduled or coordinated between the CMG Aggregator and PG&E in response to an Emergency Event on the Distribution System.

87. **Work**. Means (a) work or operations performed and furnished by CMG Aggregator or on a CMG Aggregator's behalf pursuant to the terms under this agreement; and (b) materials, parts or equipment furnished in connection with such work or operations; including (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "a Party's work"; and (ii) the providing of or failure to provide warnings or instructions.

APPENDIX II – CMET Project Microgrid Islanding Study

{ATTACH COMPLETED MIS DOCUMENT}

CMG Aggregator shall incorporate the completed Microgrid Islanding Study final report into this Appendix II. The MIS will include but may not be limited to the following:

1. Project Description
2. Summary of Study Observations and Conclusions
3. Study Assumptions
4. Power Flow and Voltage Analysis (inclusive of minimum Project Resource reserve capacity and energy to support island operation)
5. Power Quality Studies
6. Protection Studies
7. Transient Studies
8. Requirements Prior to Island Inspection and Operation
    a. Draft Description of Operations (Final Description of Operations to be included in Appendix XII in accordance with Section 2.1.B(a)
    b. Performance Testing Technical Criteria (Appendix VIII-A)

APPENDIX III-A – CMET Project Development Milestones

Item	Development Milestone	Action	Milestone Date	Responsible Party
1	Project Safety Plan and Emergency Response Plan – Appendix IX-A&B	Submit		CMG Aggregator
2	Safety Attestation and Multiple Use Attestation – Appendix X-A&B	Signed		CMG Aggregator
3	Commissioning Test Plan – Appendix VIII-B	Submitted		CMG Aggregator
4	Operating Performance Requirements, Procedures and Protocols – Appendix XII	Submitted		CMG Aggregator
5	Request to Commence Commission Testing – Appendix XI-A	Submitted		CMG Aggregator
6	CMET Project Resource Final Permission to Operate Letter	Issue		Distribution Provider & CMG Aggregator
7	Commissioning Tests	Complete		Distribution Provider & CMG Aggregator
8	Provide written approval to Interconnection Customer for the operation of the microgrid and Islanding Operation Date (IOD)	Issue		Distribution Provider

{Development Milestones shown for illustration. Specific Development Milestones to be developed by Parties}

1. Satisfaction of Development Milestones

   The satisfaction of each Development Milestone requires that all tasks identified specifically in the Project Implementation Plan, including tasks preceding the Development Milestones listed above, to be completed in a timely fashion. Upon successful completion of the Commissioning Tests, Distribution Provider will provide written approval to Interconnection Customer for the operation of the microgrid and an Islanding Operation Date (IOD). Such written approval will not be unreasonably conditioned, delayed, or withheld.

Agreed to by:

For PG&E: _____ Date: _____

For the CMG Aggregator: _____ Date: _____

APPENDIX III-B - CMET Project Implementation Plan

{ATTACH COMPLETED CMET PROJECT IMPLEMENTATION PLAN DOCUMENT}

The Project Implementation Plan (PIP) will include Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, operational and maintenance procedures and protocols for the CMET Project. The PIP may incorporate by reference any implementation plan(s) associated with CMET Project Resource Interconnection(s) and Special Facilities and Microgrid Special Facilities for purposes or presenting an overall view of the CMET Project development; however, this Agreement does not govern those interconnection and associated special facilities schedules, Development Milestone dates or commitments.

A Party shall not make any material modifications to the CMET Project Implementation Plan or Development Milestones as presented in Appendix III without the prior review and written consent of the other Party, which consent shall be in Parties reasonable discretion.

As of the Effective Date, parties agree to develop within ninety (90) days, a CMET Project Implementation Plan ("PIP") that will identify responsible parties, identify workstreams, reporting requirements, and dependencies. The implementation plan may include but not be limited to the following components:

1.) Component Plan Development
    a. CMET Project Operational Review & Commissioning Test Plan
        i. Commissioning Testing plan and schedule associated with CMET Project Resource Interconnections
            1. Existing Resources
            2. CAISO New Resource Implementation Plan
        ii. Commissioning Testing Plan and schedule for CMET Balance of System pursuant to Appendix VIII
    b. Operating Performance Requirements, Procedures and Protocols which include CMET Project Description of Operations, identify events and scenarios:
        i. Planned Event
        ii. Unplanned event
        iii. Failsafe
    c. Communications plan and plan of action for each scenario/event type
    d. CMET Project Safety Plan
    e. CMET Project Emergency Response Plan
2.) Development and Testing Schedule
    a. Microgrid Special Facilities and Interconnection development and testing schedule
    b. CMET Balance of System development and testing schedule
    c. CMET Project Resources development and testing schedule
3.) Project Management
    a. PMO approach and plan
    b. Progress meetings and reports
    c. Overall project plan management and dependencies
    d. Development & Implementation risk identification and mitigation

APPENDIX IV-A – CMET Project Resource Interconnection Agreement

{ATTACH EXECUTED CMET PROJECT RESOURCE INTERCONNECTION AGREEMENT(S) HERE}

APPENDIX IV-B – Microgrid Special Facilities Agreement

{ATTACH EXECUTED MICROGRID SPECIAL FACILITIES AGREEMENT. THE FOLLOWING AGREEMENT IS A MODIFIED VERSION OF ELECTRIC FORM NO. 79-255 FOR CMET PROJECTS ELIGIBLE FOR SPECIAL FACILITY COST-OFFSETS. OTHERWISE, CMG AGGREGATOR TO USE PG&E ELECTRIC RULE 2 FORM NO 79-255. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XIII OF THE MICROGRID OPERATING AGREEMENT}

MICROGRID SPECIAL FACILITY AGREEMENT FOR CMET PROJECT ELIGIBLE FOR COST-OFFSETS

At the request of _____
(Applicant), PACIFIC GAS AND ELECTRIC COMPANY (PG&E) hereby agrees, as an accommodation, to install within a reasonable time, or allocate for Applicant's use at

_____

_____

State of California, certain facilities consisting of items listed in Appendix A ("Microgrid Special Facilities"), at an estimated total additional installed cost of $ _____ over and above the cost of standard facilities which PG&E would normally provide or allocate for regular service in accordance with its tariffs on file with and authorized by the California Public Utilities Commission (Commission), subject to the following terms and conditions:

1. Where pursuant to any final decision or order of the California Public Utilities Commission this CMET Project is eligible for an offset of the special facilities costs incurred by PG&E to construct, own, and maintain the Microgrid Special Facilities described herein, Applicant is exempted from paying the advance or ongoing costs of the special facilities to the extent provided in said final decision or order, except as those costs are reflected in the distribution rates charged to all customers in Applicant's customer class. This provision shall not reduce or waive PG&E's ability to seek recovery of costs related to a terminated CMET Project from Applicant pursuant to Paragraph 6.
2. Where it is necessary to install Microgrid Special Facilities on Applicant's premises, Applicant hereby grants to PG&E:
    (a) the right to make such installation on Applicant's premises along the shortest practical route thereon and of sufficient width to provide legal clearance from all structures now or hereafter erected on Applicant's premises for any facilities of PG&E; and,
    (b) the right of ingress to and egress from Applicant's premises at all reasonable hours for any purposes reasonably connected with the operation and maintenance of the Microgrid Special Facilities.
3. Where formal rights of way or easements are required on and over Applicant's property or the property of others for the installation of the Microgrid Special Facilities, Applicant understands and agrees that PG&E shall not be obligated to install the Microgrid Special Facilities unless and until any necessary permanent rights of way or easements, satisfactory to PG&E, are granted without cost to PG&E.
4. PG&E shall not be responsible for any delay in completion of the installation of the Microgrid Special Facilities resulting from shortage of labor or materials, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or Commission, delay in obtaining necessary rights of way and easements, act of God, or any other cause or condition beyond the control of PG&E. PG&E shall have the right, in the event it is unable to obtain materials or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole

discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond PG&E's control.

5. In the event that PG&E is prevented from completing the installation of the Microgrid Special Facilities for reasons beyond its control within twelve (12) months following the date of this Agreement, PG&E shall have the right to terminate this Agreement upon thirty (30) days' written notice to Applicant.
6. If this Agreement is terminated as set forth in paragraph 5, the provisions of paragraph 11 shall be applicable, based on that portion of the Microgrid Special Facilities then completed, if any, including charges for any expense incurred by PG&E for any engineering, surveying, right of way acquisition expenses and other associated expenses incurred by PG&E for that portion of the Microgrid Special Facilities not installed or, in PG&E's sole judgment, not useful in supplying permanent service to PG&E's other customers.
7. Microgrid Special Facilities provided by PG&E hereunder shall at all times be and remain the property of PG&E.
8. As provided in PG&E's applicable Electric Rule 14 or Gas Rules 14 and 21, copies attached, Applicant understands that PG&E does not guarantee electric or gas service to be free from outages, interruptions or curtailments and that the charges for the Microgrid Special Facilities represent the additional cost associated with providing the Microgrid Special Facilities rather than for a guaranteed level of service or reliability.
9. If Applicant requests PG&E to alter or rearrange Special Facilities, including, but not limited to the conversion of overhead facilities to underground, solely for Applicant’s convenience or purposes and not in order to safely and reliably construct the Microgrid in a least-cost manner, Applicant shall be given the option to pay PG&E for the additional Special Facilities.
10. This Agreement shall be effective when executed by the parties hereto and shall remain in effect until terminated by either party on at least thirty (30) days' advance written notice.
11. Upon discontinuance of the use of any Microgrid Special Facilities due to termination of service, termination of this Agreement, or otherwise before or within 5 (five) years of project completion:
    (a) Applicant shall pay to PG&E on demand (in addition to all other monies to which PG&E may be legally entitled by virtue of such termination) a facility termination charge defined as the estimated installed cost, plus the estimated removal cost, less the estimated salvage value for the Special Facilities to be removed, as determined by PG&E in accordance with its standard accounting practices.
    (b) PG&E shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Microgrid Special Facilities located on the Applicant's premises;
    (c) PG&E may, at its option, alter, rearrange, convey or retain in place any portion of the Microgrid Special Facilities located on other property off Applicant's premises. Where all or any portion of the Microgrid Special Facilities located off Applicant's premises are retained in place and used by PG&E to provide permanent service to other customers, an equitable adjustment will be made in the facility termination charge.
12. Applicant may, with PG&E's written consent, assign this Agreement if the assignee thereof will agree in writing to perform Applicant's obligations hereunder. Such assignment will be deemed to include, unless otherwise specified therein, all of Applicant's rights to any refunds which might become due upon discontinuance of the use of any Microgrid Special Facilities.
13. This agreement shall be subject to all of PG&E's applicable tariffs on file with and authorized by the Commission and shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction.

Dated this _____ day of _____, 20____.

This agreement is effective when accepted and executed by PG&E.

	PACIFIC GAS AND ELECTRIC COMPANY
_____	_____
Applicant	
_____	_____
Authorized by (Print)	Authorized by (Print)
_____	_____
Signature	Signature
_____	_____
Title	Title
_____	_____
Date	Date

MAILING ADDRESS:

_____

_____

Appendix A: List of CMET Project Special Facilities

The detailed estimation of costs below includes interconnection and/or system upgrades required to interconnect the microgrid project to PG&E's distribution system, but does not include any in-plant facilities constructed, owned and operated by the Applicant.

Item	Make/Model	Cost	Cost of Ownership	Eligible for 100% Cost-Offset (Yes/No)

APPENDIX IV-C – Other Interrelated CMET Project Agreements

{ATTACH MIP GRANT AGREEMENT OR OTHER RELEVANT AGREEMENTS}

APPENDIX V – CMET Project Resources and CMET Project Balance of System Facilities

{ATTACH COMPLETE LIST OF CMET PROJECT RESOURCES AND CMET PROJECT BALANCE OF SYSTEM FACILITIES}

SAMPLE TABLE

CMET PROJECT RESOURCES

Location	Description	Mfg	Model Number	Owner
FIELD ENCLOSURE	BESS INVERTERS			CMG Aggregator
FIELD ENCLOSURE	PV ARRAY			CMG Aggregator
FIELD ENCLOSURE	LI-ION BATTERY			CMG Aggregator
FIELD ENCLOSURE	BESS SITE MASTER CONTROLLER			CMG Aggregator
FIELD ENCLOSURE	INTERNAL FIELD SWITCH			CMG Aggregator
FIELD ENCLOSURE	BATTERY METER			CMG Aggregator
FIELD ENCLOSURE	SURGE ARRESTER			CMG Aggregator
FIELD ENCLOSURE	REMOTE I/O UNIT			CMG Aggregator
FIELD ENCLOSURE	STEP UP TRANSFORMER (PAD MOUNT)			CMG Aggregator

CMET PROJECT BALANCE OF SYSTEM

Location	Description	Mfg	Model Number	Owner
FTM CMG AGGREGATOR SWITCHGEAR	PRIMARY PROTECTIVE RELAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SECONDARY PROTECTIVE RELAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	LOCAL HMI			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	HMI MONITOR AND KEYBOARD			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SATELLITE CLOCK			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	GENERATION CONTROLLER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	ANNUNCIATOR			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	SECURITY GATEWAY			CMG Aggregator

FTM CMG AGGREGATOR SWITCHGEAR	INTERNAL NETWORK SWITCH			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO METER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	ETHERNET TRANSCEIVER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	BESS METER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO ECN ROUTER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO ECN SWITCH (ATT FIBER)			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO SECURITY GATEWAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CAISO INTERNAL SWITCH			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	CELLULAR INTERNET GATEWAY			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	GENERATION CIRCUIT BREAKER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	STATION POWER ATS			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	POWER DISTRIBUTION UNIT			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	BESS ISLANDING CONTROLLER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	FIBER OPTIC TRANCEIVER			CMG Aggregator
FTM CMG AGGREGATOR SWITCHGEAR	DC POWER SUPPLY			CMG Aggregator

APPENDIX VI – Mutual Non-Disclosure Agreement

{ATTACH EXECUTED NDA HERE. THE FOLLOWING IS AN EXAMPLE OF STANDARD NDA TERMS; PG&E RESERVES THE ABILITY TO UPDATE THESE TERMS. IF APPLICANT IS A SOVEREIGN INDIAN TRIBE, APPLICANT MAY BE REQURIED TO EXECUTE A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUBSTANTIALLY THE FORM OF APPENDIX XIII OF THE MICROGRID OPERATING AGREEMENT }

MUTUAL NONDISCLOSURE AGREEMENT

This MUTUAL NONDISCLOSURE AGREEMENT ("**NDA**"), by and between Pacific Gas and Electric Company, a California corporation ("**PG&E**"), and _____ a _____ ("**Company**") (together the "**Parties**" and each individually a "**Party**"), is effective as of the latest signature date below (the "**Effective Date**").

WHEREAS, PG&E is an investor-owned utility that provides gas and electric service to millions of customers throughout Northern and Central California;

WHEREAS, _____is a _____ headquartered in _____, and is exploring the development of a microgrid, developing a microgrid, or has developed and is maintaining a community microgrid pursuant to PG&E's Community Microgrid Enablement Tariff ("**CMET"**);

WHEREAS, in support of those efforts, the Parties expect that each Party may disclose to and receive from the other Party some amount of Confidential Information, as defined herein;

WHEREAS, the Parties recognize that the development of microgrids is in the public's interest; and

WHEREAS, each Party wishes to protect, use, handle, and safeguard the Confidential Information that it receives from the other Party in compliance with law and in accordance with the duties and responsibilities set forth herein.

NOW THEREFORE, the parties agree as follows:

1. **Purpose**. The purpose of this Agreement is to permit each Party to transmit or exchange Confidential Information to or with the other Party hereto for the purpose of evaluating and reviewing such Information in connection with the potential or actual development, operation and maintenance of a microgrid pursuant to PG&E's CMET ("Purpose"), and for no other purpose. The Parties mutually agree that development of microgrids is in the public's interest and that the Purpose of this Agreement justifies maintaining the confidentiality of their respective Confidential Information.

2. **Confidential Information.** "**Confidential Information**" as used herein shall mean any non-public proprietary or confidential data, information and other materials including those regarding the products, services or business of the disclosing party (the "**Disclosing Party**"), its parent company, its subsidiaries or affiliates (and/or if either Party is bound to protect the confidentiality of any third party, of such third party) provided by or made available by the Disclosing Party to the receiving

party (the "**Receiving Party**") where such information is marked or otherwise communicated as being "proprietary" or "confidential" or the like, or where such information should, by its nature, regardless of the existence of any markings, be reasonably considered to be confidential and/or proprietary. Without limiting the foregoing, Confidential Information includes (i) all confidential and proprietary documents, records, reports, agreements and associated documents; (ii) any and all information pertaining to PG&E's electric distribution and transmission facilities; (iii) all technical, financial and business information of any kind; (iv) all written procedures; (v) all data, specifications, technology, ideas, know-how, improvements, maps, technical drawings, inventions (whether or not patentable or copyrightable), or trade secrets; and (vi) all Personal Information belonging to the Disclosing Party. Confidential Information does not include information which: (a) is already known to the Receiving Party on a non-confidential basis prior to the disclosure by Disclosing Party; (b) becomes publicly available without breach of the confidentiality obligations of this NDA by Receiving Party or its representatives; (c) is approved for release without confidentiality obligations by written authorization of the Disclosing Party; (d) is rightfully obtained by Receiving Party from a third party without restriction as to disclosure; (e) is developed independently by Receiving Party without use of or access to Disclosing Party's Confidential Information.

[For public entity counterparties: Furthermore, and consistent with the Purpose of the Agreement, the Parties agree that they are sharing Confidential Information to serve the public's interest and that this Purpose clearly outweighs publicly disclosing such Confidential Information. Accordingly, the Parties agree that Disclosing Party's Confidential Information is exempt from disclosure pursuant to the California Public Records Act, California Government Code § 6250, et seq., and other federal, state, and municipal public disclosure laws, including but not limited to the Brown Act, California Government Code § 54950, et seq., and shall remain confidential as set forth in Paragraph 9 of this Agreement, entitled "Term and Termination"]

3. **Processing Personal Information.** "**Personal Information**" as used herein shall mean any information provided by PG&E, its subsidiaries, affiliates, agents, officers, directors, current and former employees, or customers, to Company that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual, or as the "personal information" or "personal data" or such similar term is defined under applicable data privacy and protection laws. In the event Personal Information related to its employees, customers or other individuals is disclosed to Company, the Parties agree that the provisions detailed in the Personal Data Processing Addendum, attached hereto as Appendix A, shall apply. In the event of any conflict with regard to Personal Information between the general terms of this Agreement and Appendix A, the terms of Appendix A will govern.

4. **Use and Nondisclosure of Confidential Information.** Receiving Party agrees to keep any Confidential Information made available or provided to it as confidential and proprietary and shall treat such Confidential Information in the same manner as it treats is own similar proprietary and confidential information, but in no case will the degree of care be less than reasonable care. The Receiving Party shall use the Confidential Information only in performing its obligations or to exercise its rights in connection with the Purpose. The Receiving Party shall not sell, share or otherwise disclose Confidential Information to any third party (except as authorized under the NDA or applicable law) without the Disclosing Party's express written consent. The Receiving Party shall disclose Confidential Information only to those employees and contractors of Receiving Party who have a need to know such information for the purposes of performing its obligations or exercising its rights in connection with the Purpose, and such employees and contractors must be bound by an NDA or have entered into agreements with Receiving Party containing confidentiality provisions covering the Confidential Information with terms and conditions at least as restrictive as those set forth in this NDA.

The Parties further agree that this Agreement shall not be construed to limit either Party's right to

independently develop or acquire products without use of or reference to the other Party's Confidential Information. The Disclosing Party acknowledges that the Receiving Party may currently or in the future develop information internally, or receive information from other parties, that is similar to the Confidential Information. Accordingly, nothing in this Agreement will be construed as a representation or agreement that the Receiving Party will not develop or have developed products, concepts, systems, or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Confidential Information provided that the Receiving Party does not violate any of its obligations under this Agreement in connection with such development.

5. **Security Measures**. The Receiving Party shall implement reasonable administrative, technical and physical security measures to safeguard the Confidential Information it receives. These safeguards shall include, but not be limited to: (a) written policies regarding information security, disaster recovery, third-party assurance auditing, penetration testing; (b) password protected workstations at Receiving Party's premises, any premises where services are being performed and any premises of any person who has access to such Confidential Information, and (c) encryption of Confidential Information.

6. **Disclosures Required by Law**. If any Confidential Information is required to be disclosed by law, rule, regulation, court of competent jurisdiction or governmental order, then to the extent permitted by applicable law, the Receiving Party shall advise the Disclosing Party of the Confidential Information required to be disclosed promptly upon learning thereof in order to afford the Disclosing Party (at the Disclosing Party's sole cost and expense) a reasonable opportunity to contest, limit or assist the Receiving Party in crafting the disclosure, and then such disclosure shall be made only to the extent necessary to satisfy such requirements. Notwithstanding the foregoing, the Parties recognize that PG&E is a regulated utility and that its regulators have broad rights to request information from PG&E and from time-to-time PG&E may have to disclose certain Confidential Information to its regulators (e.g., the California Public Utilities Commission (CPUC) and the Federal Energy Regulatory Commission (FERC)). In that event, PG&E will disclose such information subject to the regulators' respective confidentiality rules.

7. **Unauthorized Disclosures**. The Receiving Party shall promptly notify the Disclosing Party in writing of any unauthorized access or disclosure of Confidential Information. The Receiving Party shall take reasonable measures within its control to stop the unauthorized access or disclosure of Confidential Information and to prevent recurrence. The Parties agree that a breach of this NDA would constitute irreparable harm and significant injury to the Disclosing Party. The Disclosing Party therefore shall have the right to seek from any competent civil court, immediate temporary or preliminary injunctive relief enjoining any breach or threatened breach of this NDA.

8. **Return or Destruction of Confidential Information.** All Confidential Information disclosed by Disclosing Party to Receiving Party remains the property of the Disclosing Party, and Receiving Party shall return or destroy all Confidential Information, including any copies of Confidential Information in its or its agents' possession upon the termination of this NDA or otherwise at the Disclosing Party's request. Within fifteen (15) days of receiving such request from the Disclosing Party, the Receiving Party shall comply with the request and provide written certification, signed by the Receiving Party, confirming the Receiving Party's compliance with the return or destruction of all Confidential Information as set forth in this provision. Notwithstanding the foregoing, the Receiving Party may retain one copy of Confidential Information for purposes of complying with its legal obligations or consistent with Receiving Party's backup retention and recovery purposes, provided that the obligations set forth in this NDA apply to any retained Confidential Information.

9. **Term and Termination.** This NDA shall be effective from the Effective Date, provided however, that either Party may terminate this NDA by giving the other Party thirty (30) calendar days' notice in writing of its intention to terminate this NDA. Termination shall not abrogate either Party's obligations under this NDA for Confidential Information received prior to the date of termination.

10. **Notices**. Any notice required to be sent or given under this Agreement will be sent via electronic mail, addressed as follows:

PG&E: Name: _____ E-Mail: _____ Phone: _____	_____ Name: _____ E-Mail: _____ Phone: _____

11. **Communications and Media.** Neither Party will disclose any information or make any news release, advertisement, public communication, response to media inquiry or other public statement regarding this Agreement, the Confidential Information disclosed, the Purpose and/or potential commercial relationship between the Parties, or the performance hereunder without the prior written consent of the other Party. Subject to Paragraph 5, neither Party will make any reference to the other Party or to the existence of this Agreement in any advertising or other publication (except for confidential, internal company publications), without the prior written consent of the other Party, and neither Party will associate or in any way connect its name, trademark or any other intellectual property right to any name, trademark or any other intellectual property right of the other Party without the other Party's prior written consent. The fact that the Parties have entered into this Agreement does not constitute, nor does it imply in anyway, endorsement by one Party of the other, and neither Party will indicate or imply that the other Party endorses, recommends, or vouches for it in any form of written, verbal, or electronic advertisement, communication, or any other business development effort, without the other Party's prior written consent.

12. **No License**. No license or proprietary rights are granted by disclosure of any Confidential Information under this NDA. For avoidance of doubt, nothing in this NDA is intended to grant any rights to any Receiving Party under any patent, copyright, trade secret or other intellectual property right nor does this NDA grant any Receiving Party any rights in or to the Confidential Information, except the limited right to use the Confidential Information solely for the Purpose.

13. **Compliance with Applicable Law**. The Receiving Party agrees to comply with all applicable laws governing the protection of the Confidential Information.

14. **Indemnification.** The Receiving Party shall indemnify the Disclosing Party against any and all actions, claims, liabilities, costs, damages, charges and expenses incurred in connection with or arising out of the Receiving Party's use of Confidential Information.

15. **Assignment.** Neither Party shall assign this NDA nor any Confidential Information received from Disclosing Party pursuant to this NDA without Disclosing Party's prior written consent. This NDA shall be binding upon each Party, their successors, and assigns.

16. **No Warranty**. All Confidential Information is provided "as is" without any warranties, express, implied, or otherwise, regarding the accuracy or completeness of any Confidential Information disclosed by the Disclosing Party to the Receiving Party.

17. **Severability and Waiver**. The covenants and agreements set forth in this NDA are each deemed separate and independent, and if any such covenant or agreement is determined by any court of competent jurisdiction or arbitrator/mediator to be invalid or unenforceable for any reason, the Parties shall negotiate an equitable adjustment in the provisions of this NDA with a view toward effectuating the purpose of this NDA. The invalidity or unenforceability of any of the provisions, or application of any of the provisions, of this NDA will not affect the validity or enforceability of any of the remaining provisions of this NDA.

18. **Entire Agreement.** This NDA contains the entire understanding between the Parties with respect to Confidential Information received hereunder. This NDA has been negotiated by both Parties and shall not be strictly construed against either Party. No change, modification, extension, termination, or waiver of this NDA shall be made effective unless in writing and signed by an authorized representative of each Party.

19. **Governing Law**. This NDA shall be construed and interpreted in accordance with the laws of the State of California. Any controversy, dispute, issue, or claim arising out of or in any way relating to this NDA which cannot be amicably settled without court action shall be litigated in a California State Court of competent jurisdiction; or if jurisdiction over the action resides in the federal courts, then in a Federal Court of competent jurisdiction situated in the State of California.

20. **Counterparts**. This NDA may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same instrument. The Parties agree that electronic signatures may be used for execution of the NDA. The email, PDF or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and electronic copies of the executed NDA shall be deemed to constitute duplicate originals.

21. **Remedies.** Notwithstanding any other term of this NDA, it is expressly agreed that a breach of this NDA will cause irreparable harm to the Disclosing Party and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the Disclosing Party will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any provisions of this NDA. In any dispute between the Parties arising out of or relating to the NDA, the prevailing party shall be entitled to recover from the opposing party his or its attorneys' fees and costs.

IN WITNESS HEREOF, and intending to be legally bound hereby, the Parties hereto have caused this NDA to be executed by their duly authorized representatives as of the Effective Date.

[COMPANY]	**PACIFIC GAS & ELECTRIC COMPANY**
Signature:	Signature:

Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Appendix A

PERSONAL DATA PROCESSING ADDENDUM

This Personal Data Processing Addendum ("**DPA**") amends, in accordance with the terms set forth below, all agreements between the Parties, pursuant to which Company receives and processes Personal Information (as defined below) and to clarify and confirm Company's obligations to safeguard and maintain the security of the Personal Information it collects from or on behalf of PG&E related to employees, dependents and beneficiaries, consultants, workers, visitors, shareholders, and/or customers of PG&E and its subsidiaries and affiliates.

1. **DEFINITIONS**. As used in this DPA, the following capitalized terms shall have the meanings provided in this section. Capitalized Terms used in this DPA, but not defined below have the meaning given to them in the Parties' Agreement.

Agreement. "Agreement" means the Mutual Non-Disclosure Agreement by and between PG&E and Company.

Personal Information. "Personal Information" means any information provided by PG&E, its subsidiaries, affiliates, agents, officers, directors, current and former employees, or customers, to Company and that identifies, relates to, describes, is reasonably capable of being associated with or could reasonably be linked, directly or indirectly, with a particular individual. "Personal Information" includes "personal information," "personal data" or other such similar terms as they are defined under applicable Privacy Laws.

Privacy Laws. "Privacy Laws" are all applicable laws, rules, regulations, directives and governmental requirements in any jurisdiction in which Company or Company operates and relating in any way to the privacy, confidentiality, or security of Personal Information processed by Company, including, but not limited to the California Consumer Privacy Act of 2018 ("CCPA") and the California Privacy Rights Act of 2020 ("CPRA").

2. **CONTROL OF PERSONAL INFORMATION**. PG&E shall retain all ownership and control over the Personal Information disclosed to Company. PG&E also has the exclusive authority to determine the purposes of processing of all Personal Information by Company.

3. **LIMITED USE OF PERSONAL INFORMATION**. At all times during the term of this DPA and thereafter, Company shall collect (including, without limitation, caching or storing), access, use, disclose, process or retain Personal Information solely for the purpose of rendering the contracted services to PG&E and not for any other purpose. Company shall not sell, share or otherwise disclose any Personal Information to any third party except as expressly permitted herein. Company shall not use any Personal Information to violate or attempt to violate the security of PG&E's systems, or any third party networks, system, server, website, application or account.

4. **ADDITIONAL RESTRICTIONS.** Company shall not: (i) sell or share Personal Information or (ii) collect, retain, use, or disclose Personal Information for any purpose other than for the specific purpose of performing the services specified in the Agreement. For avoidance of doubt, Company shall not collect, retain, use, or disclose Personal Information for any commercial purpose other than providing the services specified under the Agreement unless otherwise

permitted under applicable law. For purposes of this section, the terms "sell," "commercial purposes" and "personal information" shall have the meanings as defined under the CCPA and "share" shall have the meaning as defined under the CPRA.

5. **AGENTS**. Company shall not contract any of its rights or obligations hereunder, or share, transfer, disclose or otherwise provide access to any Personal Information to any contractors, subcontractors, third-party service providers, or agents (collectively, "Agents") without the prior written consent of Company. Where Company contracts any rights or obligations, or provides access to Personal Information, to an Agent, then (a) Company shall enter into a fully-executed written agreement with each Agent that imposes obligations on the Agent that are at least as restrictive as those imposed on or required of Company under this DPA; (b) Company shall not be relieved of any of its obligations under this DPA; and (c) Company shall remain liable and responsible for the performance or non-performance of its Agents with respect to the Agent's collection, use, disclosure, storage, processing and disposal of Personal Information.

6. **COMPLIANCE WITH LAW**. Company agrees that its collection, use, disclosure, storage, processing and disposal of Personal Information shall at all times comply with all applicable Privacy Laws and any representations made by Company to any person from whom such Personal Information was collected. Company further agrees that it will reasonably cooperate with PG&E's efforts to comply with PG&E's legal obligations related to its collection, processing, use or disclosure of Personal Information.

7. **DATA SECURITY**. Company shall, and shall contractually require and cause any Agents to, implement and maintain security procedures and practices for Personal Information, including without limitation, establishing, implementing and maintaining an Information Security Program as set forth in this Section 7, that will: (i) comply with all applicable Privacy Laws and industry standards; (ii) ensure the security and confidentiality of Personal Information, (iii) protect against any anticipated or actual threats or hazards to the security or integrity of Personal Information, and (iv) prevent unauthorized access, acquisition, destruction, use, modification and/or disclosure of Personal Information. Company and its Agents shall each ensure that its security infrastructures are consistent with high industry standards for virus protection, firewalls and intrusion prevention technologies to help prevent Company's network, systems, servers and applications from unauthorized access. Company will restrict and track access to Personal Information and PG&E systems at all times to only those employees and Agents whose access is essential to performing the services for which Company has been contracted, and such employees and Agents will be required (including during the term of their employment or retention and thereafter) to protect Personal Information in accordance with the requirements of this DPA. Company shall segregate Personal Information from all other Company and third party data. Company must ensure proper user authentication for all employees, and Agents with access to Personal Information, including, without limitation, by assigning each employee or Agent unique access credentials for access to any system on which Personal Information can be accessed and prohibiting employees and Agents from sharing such access credentials. Company shall ensure that upon termination of any employee or Agent, the terminated person's access to Personal Information and PG&E systems must be immediately revoked.

8. **INFORMATION SECURITY PROGRAM**. Company shall conduct appropriate training and awareness campaigns designed to educate Company's employees of their responsibilities in maintaining the confidentiality and security of Personal Information and for the reporting of incidents involving unauthorized access to or use of Personal Information, consistent with all

Privacy Laws and the terms of this DPA. Company represents and warrants that it has implemented and will maintain a variety of administrative, organizational and technical measures ("Information Security Program) that are consistent with industry standards which may include but are not be limited to ISO 27001/2, NIST, OWASP, and other similar standards that are designed to reasonably and appropriately protect the confidentiality, integrity mid availability of information systems or data and which measures are set forth below. Company shall review its Information Security Program on at least an annual basis and evaluate whether it needs to be modified to comply with Privacy Laws or industry practices. Company shall notify PG&E of any material changes to Company's Information Security Program as it relates to the security and integrity of Personal Information, within thirty (30) days of any such change. Notwithstanding the foregoing, at all times, Company's Information Security Program shall include the following:

a. Organizational management and dedicated staff responsible for the development, implementation and maintenance of Company's Information Security Program.

b. Audit and risk assessment procedures designed for the purposes of periodic review and assessment of risks to Company's organization, for monitoring and maintaining compliance with Privacy laws, and for reporting the condition of its information security and compliance to Company senior management.

c. Data security controls which include at a minimum, but may not be limited to, logical segregation of data, restricted (e.g., role-based) access and monitoring, and utilization of commercially available and industry standard encryption, at a minimum of 256-bit encryption, for Personal Information that is:

    i. transmitted order public networks (i.e. the Internet) or when transmitted wirelessly,

    ii. stored on any Company or Agent systems, including any cloud based systems.

d. Logical access controls to manage electronic access to data and system functionality based on authority levels and job functions, *(e.g.* granting access on a need-to-know and least privilege basis, use of unique IDs and passwords for all users, periodic review and revoking/changing access promptly when employment terminates or changes in job functions occur).

e. Password controls to manage and control password strength, expiration and usage including prohibiting users from sharing passwords.

f. System auditor event logging and related monitoring procedures to proactively record user access and system activity for routine review.

g. Physical and environmental security of data center, server room facilities and other areas containing Personal Information to protect information assets from unauthorized physical access, and to manage, monitor and log movement of persons into and out of Company facilities, and to guard against environmental hazards such as heat, fire and water damage.

h. Operational procedures and controls to provide for configuration, monitoring and maintenance of technology and information systems according to prescribed internal and adopted industry standards, including secure disposal of systems and media to render all information or data contained therein as undecipherable or unrecoverable prior to final disposal or release from Company's possession.

i. Change management procedures and tracking mechanisms to ensure all changes to Company's technology and information assets are properly tested, approved and monitored.

j. Incident management procedures to allow for the proper investigation, response, mitigation and notification of events related to Company's technology and information assets.

k. Network security controls that provide for the use of enterprise firewalls and layered DMZ architectures, and intrusion detection systems and other traffic and event correlation procedures to protect systems from intrusion and limit the scope of any successful attack.

l. Vulnerability assessment, patch management, and threat protection technologies and scheduled monitoring procedures to identify, assess, mitigate and protect against identified security threats, viruses and other malicious code.

m. Business continuity and disaster recovery procedures to ensure Company's ability to maintain service and/or recovery from foreseeable emergency situations or disasters.

n. Controls to ensure any applicable Company software is securely developed in accordance with this DPA, such as design reviews, secure separation of development and production environments, code reviews, and quality assurance testing.

9. **TRANSMISSION OF PERSONAL INFORMATION**. Company shall not electronically transmit a record containing Personal Information outside a secure network environment other than by a secure network connection or communications protected by appropriate encryption technology that is not less than 256-bits in length. Likewise, Company shall not require any individual to transmit Personal Information over the Internet unless the connection is secure or the Personal Information is protected by encryption technology meeting this standard. Company shall not print Personal Information on mailed material unless required by law and will not make Personal Information visible through any envelope window unless required by law. Notwithstanding the provisions of this Section, when strictly necessary to perform the contracted services and permitted by applicable Privacy Laws, Personal Information may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend or terminate an account, contract or policy, or to confirm the accuracy of the Personal Information.

10. **SECURITY MANAGER**. On the effective date of the Agreement, Company shall designate an individual as the primary security manager under this DPA. The security manager shall be responsible for managing and coordinating the performance of Company's privacy and data security obligations under this DPA.

11. **SUBPOENAS AND LEGAL PROCEEDINGS**. Subject to applicable law, Company shall immediately notify PG&E of any subpoena or other judicial or administrative order by a court, tribunal, litigant, or government authority seeking access to or disclosure of Personal Information. Subject to applicable law, PG&E shall have the right take steps to assess and/or prevent such disclosure and to defend subpoena enforcement proceedings or motions to compel in lieu of and on behalf of Company, which still must provide reasonable cooperation to PG&E in connection with such defense.

12. **DATA SECURITY BREACH NOTIFICATION AND INCIDENT RESPONSE**. Company shall notify PG&E, of: (a) any access, possession, use or disclosure of Personal information, or attempt thereof, not expressly permitted by this DPA; (b) any suspected breach or compromise of Personal Information, or Company's systems or networks that directly or indirectly support Personal Information; or (c) claims or threats thereof made by any personnel, Agent or external person (each or the foregoing a "Data Security Breach"). Company shall notify PG&E of a Data Security Breach within twenty-four (24) hours after detecting or being notified of the Data Security Breach affecting Personal Information.

a. **Data Security Breach Investigation**. Company shall immediately take measures to stop the Data Security Breach and in PG&E's sole discretion, upon PG&E's written request, and pursuant to PG&E's instructions, Company shall cooperate with PG&E and any outside agents hired by PG&E in connection with: (i) conducting an investigation of any actual or suspected Data Security Breach and (ii) providing PG&E and its agents with administrative access to all affected systems or applications that store, process, transmit or otherwise access Personal Information. Company shall provide PG&E with the following information, at minimum: (i) a brief summary of the issue, facts and status of Company's investigation; (ii) the potential number of individuals affected by the Data Security Breach; (iii) the Personal Information that has been or may have been implicated by the Data Security Breach; and (iv) any other information pertinent to PG&E's understanding of the Data Security Breach and the exposure or potential exposure of Personal Information.

b. **Other Parties**. Unless the Data Security Breach impacts the information of parties other than PG&E, Company shall not notify any parties other than PG&E and relevant law enforcement agencies of any Data Security Breach unless such notification is agreed to in advance by PG&E in writing.

c. **Resolution**. For avoidance of doubt, any Data Security Breach vulnerability shall be resolved to PG&E's satisfaction, at Company's expense. If such vulnerability cannot be resolved to PG&E's satisfaction within a reasonable period of time, as determined by PG&E, PG&E shall have the right to immediately terminate the Agreement without liability.

d. **Notification.** Company will, upon PG&E's written request and pursuant to PG&E's instructions, at Company's cost, notify any affected persons or entities provided that the method and content or such notice to shall be agreed to in writing by PG&E prior to sending such notice. Company shall also cooperate with PG&E and any relevant authority in the event of litigation or regulatory inquiry concerning a Data Security Breach. Notwithstanding the foregoing, Company, at its sole expense shall investigate and remediate all Data Security Breaches.

e. **Indemnification**. In addition to Company's indemnification obligations set for in Section 21 of this DPA, Company shall also indemnify, hold harmless, and defend PG&E and its respective directors, officer; employees, subcontractors and agents from any suits, claims, damages, demands, proceedings, and other actions brought by a third party, and all associated expenses and costs (including but not limited to: assessments, fines, losses, penalties, costs of investigating and responding to any Data Security Breach, costs of notifying affected individuals, and attorneys' fees), arising out of or related to Company's or its Agents collection, processing, storage, use transmission or destruction of Personal Information, including, but not limited to, a suspected or actual Data Security Breach. The remedies set forth herein shall be in addition to any other remedies available to PG&E at law or in equity, including but not limited to Company's general indemnification obligations set forth in this DPA.

13. **CREDIT MONITORING**. In the event of a Data Security Breach (including, without limitation, by an unauthorized employee or Agent of Company), at the sole discretion of PG&E, Company will offer Credit Monitoring Services (as defined below) as designated by company to any affected individual at Company's cost and expense. Affected individuals will be notified of the availability of Credit Monitoring Services as directed by PG&E, at Company's sole cost. "Credit Monitoring Services" mean credit monitoring services for two (2) years, beginning on the date the individual first registers for the service after the Data Security Breach or such period required by Privacy Laws and one (1) free credit report provided by Experian, Equifax, or TransUnion.

14. **DESTRUCTION AND RETURN OF PERSONAL INFORMATION**. As soon as possible after any of the Personal Information (or portion thereof) is no longer needed by Company to fulfill its obligations to PG&E or upon PG&E's written request, or in the event of termination or expiration of this DPA for any reason, Company shall, and shall cause its Agents, to immediately securely destroy and certify such secure destruction (and produce a written certification upon request by PG&E) of any or all of Personal Information and all records of Personal Information, (including, without limitation, all electronic copies such as on hard drives, backup tapes, portable devices, optical, magnetic, or other storage media, as well as all hard copies) or, if requested by PG&E, return Personal Information to PG&E through a secure method designated by PG&E. Company shall ensure that Personal Information is destroyed in accordance with the methods described in the Federal Trade Commission's Disposal Rule, 16 C.F.R § 682.3 and any other Privacy Law.

15. **SECURITY AUDIT RIGHTS**. At the request of PG&E and at PG&E's cost, Company shall provide PG&E, or an independent third-party auditor selected by PG&E, access to, and the right to conduct a security audit of, all records, security policies and procedures, and other practices relating to the use, processing, storage and disclosure of Personal Information. The audit results and Company's plan for addressing or resolving issues identified by the audit shall be shared with PG&E within ten (10) days of Company's receipt of the audit results. If Company fails to resolve the issues identified in its plan within a reasonable timeframe determined by PG&E, PG&E shall have the right to terminate the services contract between the Parties. In addition, subject to Company's advance approval as to scope and timing, PG&E also reserves the right to conduct, at its own cost, not more than twice per calendar year, technical security integrity reviews, and penetration tests and monthly Internet security scans to ensure Company remains compliant with this DPA (collectively, "Application Security Assessments"). PG&E will provide seven (7) days' notice prior to penetration testing or the commencement of monthly

scanning activities. Company shall correct any security flaw discovered by PG&E within eight (8) hours. Further, Company and any Agent that accesses, stores or collects Personal Information shall conduct, at its own cost, an Application Security Assessment annually using an independent third-party tester.

16. **MALICIOUS CODE**. Company will ensure that the contracted services will not result in the transmission to PG&E of any (a) 'back door', 'time bomb', 'Trojan Horse,' 'worm', 'drop dead device,' 'virus', 'spyware' or 'malware;' or (b) any computer code or software routine that: (i) permits unauthorized access to or use of PG&E's or its users' systems or any component thereof; or (ii) disables, damages, erases, disrupts or impairs the normal operation of PG&E's or its users' systems or any component thereof.

17. **INTERNATIONAL TRANSFER OF DATA**. Company shall not transfer Personal Information to, or allow access to Personal Information by, its employees or Agents in any location outside the United States without receiving the prior written consent of PG&E. To the extent that the parties agree to the transmission of Personal Information outside of the United States, prior to making any such transfer, the parties will negotiate in good faith and agree to the terms of a data transfer agreement that complies with applicable Privacy Laws governing the cross-border transfer of Personal Information.

18. **SUSPENSION OF DATA TRANSFERS**. PG&E reserves the right to suspend or stop data transfers to Company at any time. In the event that Company is unable to comply with the obligations stated in this DPA, Company shall within forty-eight (48) hours notify PG&E, and PG&E shall then be entitled (at its option) to suspend the transfer of Personal Information, require Company to cease using Personal Information and/or immediately terminate the Agreement PG&E may have with Company that requires the transfer of Personal Information for the contracted services.

19. **DATA SUBJECT REQUESTS**. Company shall promptly send PG&E within three (3) business days of receipt of any communication received from an individual relating to his or her request to access, modify or correct, or delete Personal Information relating to the individual or to opt-out of any program or communication and Company shall comply with instructions of PG&E before responding to such data subject requests.

20. **COOPERATION WITH GOVERNMENT ENFORCEMENT AUTHORITIES**. Company will provide reasonable cooperation to PG&E in connection with PG&E's efforts to respond to any complaint filed with, or investigation conducted by, any government agency or data protection authority resenting the processing of Personal Information by Company.

21. **INDEMNIFICATION**. Notwithstanding anything to the contrary in any agreement between PG&E and Company, Company shall indemnify, hold harmless, and defend PG&E and its officers, employees, subcontractors, agents, successors, and assigns from and against any and all claims, losses, liabilities, damages, settlements, expenses and costs (including without limitation attorneys' fees and court costs) and any and all threatened claims, losses, liabilities, damages, settlements, expenses and costs arising from, in connection with, or based on allegations of, in whole or in part, any of the following: (a) any violation of the requirements of this DPA; (b) any negligence or willful misconduct of Company, its personnel or Agents or any third party to whom Company provides access to Personal Information or systems, with respect to security or confidentiality of Personal is (c) any other costs incurred by PG&E with respect to PG&E's rights in this DPA. Except as otherwise provided herein, Company shall be fully responsible

for, and shall pay, all costs and expenses incurred by Company or its personnel, third-party service providers of Company or Agents with respect to the obligations imposed under this DPA.

22. **RELATION TO THE AGREEMENT**. A breach of any term of this DPA will be deemed a breach of the Agreement. The provisions of the Agreement regarding the subjects of Breach, Choice of Law, and Venue shall govern the parties' respective rights and obligations under this DPA. Notwithstanding the foregoing any indemnification rights of PG&E in this DPA are additive to any rights at law or in equity that PG&E has under the Agreement.

23. **CONFLICTS.** In the event any term in this DPA is inconsistent or contradicts the terms in any other agreement between the Parties, the terms in this DPA shall apply.

24. **MISCELLANEOUS**. This DPA constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof, and its terms shall govern the event of any inconsistency between this DPA and any other agreement between the Parties. This DPA shall be amended only by a written agreement between the Parties that specifically references this DPA by name. Company's obligations hereunder shall survive the termination of the service agreements between the parties and the completion of any and all services performed thereunder.

APPENDIX VII - Notices

Name: _____ ("CMG Aggregator")	**Name:** Pacific Gas and Electric Company, a California corporation ("PG&E")
All Notices:	All Notices:
Delivery Address:	**Delivery Address:**
Street:	300 Lakeside Drive, Suite 219
City:	Oakland, CA 94612
Mail Address:	**Mail Address**:
	300 Lakeside Drive, Suite 200 Oakland, CA 94612
Attn:	Attn: Sr. Director, Distribution Asset Management
Phone:	Phone:
Invoices and Payments:	**Invoices and Payments:**
Attn:	Attn:
Phone:	Phone:
Wire Transfer:	**Wire Transfer:**
BNK: ACCT Title: ABA: ACCT: DUNS: Federal Tax ID Number:	BNK: ACC Title: ABA: ACCT: DUNS: Federal Tax ID Number:
Credit and Collections:	**Credit and Collections:**
Attn:	Attn: Credit @ Emerging Risk PGERiskCredit@Exchange.pge.com
Phone:	Phone: Fax:
With additional Notices of an Event of Default to Contract Manager:	**With additional Notices of an Event of Default to Contract Manager:**
Attn:	Attn:
Phone:	Phone:
Designated CMET Project Operating Representative	**Designated CMET Project Operating Representative**
Attn:	Attn:
Phone:	Phone:

APPENDIX VIII-A –Performance Testing Technical Criteria

{INCORPORATE PERFORMANCE TESTING TECHNICAL CRITERIA HERE}

APPENDIX VIII-B – Commissioning Test Plan

{INCORPORATE COMMISSIONING TEST PLAN HERE}

APPENDIX IX-A – CMET Project Safety Plan and Supporting Documentation

{ATTACH CMET PROJECT SAFETY PLAN AND SUPPORTING DOCUMENTATION}

CMG Aggregator shall develop and provide to PG&E a Safety Plan in accordance with (i) requirements stated in this Appendix IX, and (ii) pursuant to the schedule presented in Appendix III - Project Implementation Plan, and (iii) pursuant to the Safety Requirements. The Safety Plan will include but may not be limited to the following:

Part One: Safety Requirements and Safety Programs

Identify the applicable safety-related Codes, Standards, and regulations (CSR) which govern the design, construction, operation, and maintenance of the Project using the proposed technology.

Describe the CMG Aggregator's and the CMG Aggregator's Contractor(s)' safety programs and policies. Describe CMG Aggregator's compliance with any safety-related industry standards or any industry certifications (American National Standards Institute (ANSI), International Organization for Standardization (ISO), etc.), if applicable.

Part Two: Project Design and Description

Describe CMG Aggregator's safety engineering approach to select equipment and design systems and the Project to reduce risks and mitigate the impacts of safety-related incidents, including cascading failures, excessive temperatures, thermal runaways, fires, explosions, pressure relief rupture disk fractures, hazardous chemical releases.

Describe the results of similar safety engineering evaluations. In the case of lithium-ion batteries, describe the safety-related reasons, including design features and historical safety records, for selecting particular anode and cathode materials and a particular manufacturer.

In addition to the information provided in the CMET Project Description Appendix II, provide a list which includes but is not limited to, the following information:

a) Arc Flash Studies
b) Ground Grid Designs
c) Step and Touch Potential Analysis
d) Equipment safety-related certifications (e.g. UL), and
e) Safety-related systems

Part Three: Project Safety Management

Identify and describe any hazards and risks to life, safety, public health, property, or the environment due to or arising from the CMET Project. Describe the CMG Aggregator's applicable site-specific safety plans, risk mitigation, Safeguards and layers of protection, including but not necessarily limited to:

a) Engineering controls,

b) Work practices,
c) Administrative controls,
d) Personal protective equipment and procedures,
e) Incident response and recovery plans,
f) Contractor management,
g) Operating procedures,
h) Emergency plans,
i) Training and qualification programs,
j) Disposal, recycle, transportation and reuse procedures, and
k) Physical security measures.

Part Four: Project Hazardous Materials Business Plan

A. SDS/Manufacturer spec sheets for all materials onsite (batteries, transformers, equipment that houses oils or coolants) and;

B. An inventory of each material (i.e. how many batteries of any one type are onsite).

Please also provide a site plan that demonstrates where these assets are located and that identifies Ownership of each asset (CMET Project Resource Owner vs PG&E)

Contact Sheilah Lillie for more information on the HMBP: SMLZ@pge.com.

APPENDIX IX-B – CMET Project Emergency Response Plan

{ATTACH CMET PROJECT EMERGENCY RESPONSE PLAN}

CMG Aggregator shall develop and provide to PG&E a CMET Project Emergency Response Plan in accordance with (i) requirements stated in this Appendix IX-B, and (ii) pursuant to the schedule presented in Appendix III - Project Implementation Plan, and (iii) pursuant to the Safety Requirements. The Emergency Response Plan will include but may not be limited to the following:

a) Project location,
b) Facility description,
c) Description and location of key hazards,
d) Emergency Response Procedures for key hazards,
e) Plan modifications and response to Remediation Events,
f) Smoke & fire suppression systems as required by code,
g) Primary emergency contacts, and
h) Safety Data Sheets

“Remediation Event” means the occurrence of any of the following with respect to the CMET Project or a Site: (a) an Exigent Circumstance (b) a Serious Incident; (c) a change in the nature, scope, or requirements of applicable Laws, Permits, codes, standards, or regulations issued by Governmental Authorities which requires modifications to the Safeguards; (d) a material change to the manufacturer’s guidelines that requires modification to equipment or the Project’s operating procedures; (e) a failure or compromise of an existing Safeguard; (f) Notice by PG&E, in its sole discretion, that CME Aggregator, the Project Safety Plan, Safety Attestation, as applicable, is not consistent with the Safety Requirements; or (g) any actual condition related to the CMET Project or a Site with the potential to adversely impact the safe construction, operation, or maintenance of the CMET Project or a Site.

“Exigent Circumstance” means a situation in which there is actual or imminent harm to life or safety, public health, third-party owned property, or the environment due to or arising from the CMET Project or portion thereof.

“Serious Incident” means a harmful event that occurs on a Site during the Term arising out of, related to, or connected with the CMET Project or the Site that results in any of the following outcomes: (a) any injury to or death of a member of the general public; (b) the death or permanent disabling injury to operating personnel, CMG Aggregator’s Contractors or subcontractors, CMG Aggregator’s employees, agents, or consultants, or authorized visitors to the Site; (c) any property damage greater than one hundred thousand dollars ($100,000.00); (d) release of hazardous material above the limits, or violating the requirements, established by Permits, codes, standards, regulations, Laws or Governmental Authorities; (e) environmental impacts exceeding those authorized by Permits or applicable Law.

“Safety Remediation Plan” means a written Notice from CMG Aggregator to PG&E containing information about a Remediation Event, including (a) the date, time and location of first occurrence, (b) the circumstances surrounding cause, (c) impacts, and (d) detailed information about CMG Aggregator’s plans to resolve the Remediation Event.

APPENDIX X-A – Safety Attestation

This Safety Attestation is delivered by _____("Licensed Professional Engineer") to Pacific Gas and Electric Company ("PG&E") in accordance with Section 2.1.B(h) of the Microgrid Operating Agreement with an Effective Date of _____ ("Agreement") by and between _____("CMG Aggregator") and PG&E. All capitalized terms used in this Safety Attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Licensed Professional Engineer_____ hereby certifies the following:

(1) The Project is able to operate in a manner consistent with the Safety Requirements;

(2) The Project Safety Plan demonstrates compliance with all applicable Safety Requirements and reasonably takes into account the items in Appendix IX to the Agreement; and

(3) The Project Safety Plan includes a Safety Remediation Plan that meets the required response to a Remediation Event as described in Appendix IX.

[Licensed Professional Engineer]_____

Signature: _____

Name: _____

Title: _____

Date: _____

License Number and LPE Stamp: _____

APPENDIX X-B – Multiple Use Attestation

[Applicable only to CMET Projects that include energy storage among the CMET Project Resources]

This Multiple-Use Attestation is delivered by _____ ("CMG Aggregator") to Pacific Gas and Electric Company ("PG&E") in accordance with Section 2.1.B(e) of the Microgrid Operating Agreement with an Effective Date of _____ ("Agreement") by and between CMG Aggregator and PG&E. All capitalized terms used in this attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

CMG Aggregator hereby certifies and represents to PG&E, as of the date set forth below, that with regard to the Project, CMG Aggregator is following all the rules set forth in Appendix A of CPUC Decision 18-01-003.

EXECUTED by CMG Aggregator this _____ day of _____, 20__.

Signature: _____

Name: _____

Title: _____

APPENDIX XI-A – Request to Commence Commission Testing Confirmation Letter

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ ("Agreement") by and between _____("PG&E") and _____ ("CMG Aggregator"), and Section 2.1 and Section 2.2 of that Agreement, this letter ("Request to Commence Commission Testing Confirmation Letter") when duly executed by both parties serves to document the Parties' further agreement that the Development Conditions prescribed in the Agreement at Section 2.1 have been satisfied or waived in writing by PG&E and the project may proceed with any necessary performance and commissioning testing. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Request to Commence Commission Testing Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

[INSERT CMG Aggregator's NAME HERE]		**PACIFIC GAS AND ELECTRIC COMPANY**	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

APPENDIX XI-B – CMET Project Islanding Operation Date Confirmation Letter

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ ("Agreement") by and between _____("PG&E") and _____ ("CMG Aggregator"), and Section 2.2 of that Agreement, this letter ("Islanding Operation Date Confirmation Letter") serves to document the Parties' further agreement that the Development Conditions to the Islanding Operation Date have been satisfied or waived in writing by PG&E. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Islanding Operation Date Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

[INSERT CMG Aggregator's NAME HERE]	**PACIFIC GAS AND ELECTRIC COMPANY**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX XII – Operating Performance Requirements, Procedures and Protocols

{ATTACH CMET PROJECT OPERATING PERFORMANCE REQUIREMENTS, PROCEDURES AND PROTOCOLS DOCUMENT & FINAL DESCRIPTION OF OPERATIONS AS APPROPRIATE}

Pursuant to the Operating Performance Requirements, Procedures and Protocols described in Section 2.1 of this Agreement, this Appendix XII will incorporate the following:

Part 1: Jurisdictional Boundaries Letter of Agreement: An agreement between PG&E distribution operators and the CMG Aggregator defining roles and responsibilities for operating and maintaining the CMET Project, notification protocols, and operating protocols and procedures.

Part 2: CMET Project Performance Requirements: Describes operational requirements necessary to meet CMET Project performance requirements including but not limited to PG&E's Electric Rule 2 or any PG&E cost-offset or grant program requirements or any project characteristics justifying grant awards.

Part 3: PG&E CMET Project Description of Operations: Provides CMG Aggregator personnel with a description of operations for the CMET Project operations and coordination with PG&E. This document includes but is not limited to CMET project description, control mode descriptions, alarm descriptions, and procedures requiring coordination with PG&E.

Part 4: CMG Aggregator CMET Project Description of Operations: Document for PG&E electric distribution operations regarding the CMET Project including but not limited to project overview, description of microgrid modes of operation (e.g., microgrid enabled mode and disabled mode), operation and configuration descriptions (e.g., fault responses), and alarms and responses.

For Information Only – The Following are Articles in the Agreement that point to this Appendix:

1.3 Term & Termination: CMET Project Suspension (lock out procedures)
2.1 CMET Project Development Conditions
3.2 Roles and Responsibilities – General
3.3 Roles and Responsibilities – Modes of Operation
3.4 Operational Coordination
3.5 Operating Performance Requirements
4.1 & 4.2 – System Change
7.2 Covenants of CMG Aggregator

APPENDIX XIII - LIMITED Waiver of Sovereign Immunity

[APPLICABLE ONLY TO CMG AGGREGATORS THAT ARE TRIBAL GOVERNMENTAL AUTHORITIES]

(a) The Parties acknowledge that CMG Aggregator is a sovereign Tribe, and that, as such, CMG Aggregator, its officers, agents and assigns possess sovereign immunity from unconsented suits and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of CMG Aggregator's sovereign immunity, except as expressly provided in this Appendix XIII. PG&E and CMG Aggregator agree that this Agreement is fully enforceable between the Parties. Therefore, CMG Aggregator hereby provides this limited express waiver of CMG Aggregator's sovereign immunity, for the limited purpose of enforcing this Agreement (including each and all of the terms and conditions of this Agreement), and in accordance with, and as limited by, the express terms of this Agreement. CMG Aggregator provides this limited waiver of its sovereign immunity solely for disputes arising between the parties under this Agreement pursuant to Article 10. This limited waiver shall not apply to any other party or to disputes that do not arise out of this Agreement. PG&E hereby agrees that this limited waiver of sovereign immunity provided by CMG Aggregator shall be strictly and narrowly construed in favor of CMG Aggregator.

(b) With respect to all actions, suits, claims, proceedings or counterclaims (each, a "Claim"), CMG Aggregator and each of its officers, agents and assigns hereby expressly waives its sovereign immunity, and all defenses based thereon, from any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement, in each case of any nature, whether such Claim is brought in or arises under law, equity, contract, tort or statute (inclusive of Claims for equitable or provisional relief and to compel arbitration, and whether through service of notice, attachment prior to judgment, exercise of contempt powers, or otherwise) (an "Action"), for the limited purpose of resolving Claims and the judicial enforcement thereof, to resolve any controversy arising from this Agreement, to enforce or interpret the express terms and conditions of this Agreement, or otherwise related to this Agreement, as provided for in this Agreement.

(c) CMG Aggregator expressly waives sovereign immunity, solely in connection with any Claim brought to enforce or interpret this Agreement, to resolve any controversy arising from this Agreement, or otherwise related to this Agreement and all defenses based thereon as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, any form of relief, or order related thereto. CMG Aggregator further consents to the jurisdiction of the arbitrators and/or specified courts described in Article 10 of this Agreement, including each Party's consent to be bound by a lawful order or judgment, to the extent provided for herein.

(d) With respect to any Action between PG&E and CMG Aggregator, each of the Parties expressly consents and agrees to the dispute resolution provisions set forth in Article 10 of this Agreement, and CMG Aggregator hereby agrees that the limited waivers of sovereign immunity described in this Appendix XIII apply and waive CMG Aggregator's sovereign immunity (to the extent described in this Appendix XIII) in connection with any arbitration under Article 10 of this Agreement and any judgment or award described in Article 10 of this Agreement. CMG

Aggregator specifically expressly waives sovereign immunity for the limited jurisdictional purposes set forth in this Appendix XIII and in Article 10 of this Agreement. The Parties specifically agree that the arbitrators and courts set forth in Article 10 of this Agreement shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement, which shall be binding and enforceable on each Party. CMG Aggregator shall not contest jurisdiction or venue to the extent selected in accordance with Article 10 of this Agreement. CMG Aggregator hereby waives any argument that a tribal forum has jurisdiction over the limited waiver of sovereign immunity and this Agreement, that it shall not plead or invoke the doctrine of exhaustion of tribal or other administrative or tribal judicial remedies, defenses of tribal immunity or that CMG Aggregator is an indispensable party, and CMG Aggregator hereby waives any and all such requirements.

(e) CMG Aggregator hereby consents to injunctive relief, where the standards for such relief are proven, in the forums enumerated in Section 13.9 of this Agreement should CMG Aggregator ever attempt to revoke, limit or restrict the limited waiver of sovereign immunity, where the legal standards for such relief are satisfied.

(f) In any Action as to which CMG Aggregator has waived its sovereign immunity as provided herein, CMG Aggregator consents and agrees that process against CMG Aggregator shall be effective if served by sending a copy of the process in accordance with the notice provisions set forth in Section 14.1 of this Agreement.

END OF AGREEMENT

PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T

Albion Power Company
Alta Power Group, LLC

Anderson & Poole
BART

Ava Community Energy

BART
Buchalter
Barkovich & Yap, Inc.
Biering & Brown LLP
Braun Blaising Smith Wynne, P.C.

California Community Choice Association
California Cotton Ginners & Growers Association
California Energy Commission
California Hub for Energy Efficiency
California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine
Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity
Chevron Pipeline and Power

Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC

Davis Wright Tremaine LLP
Day Carter Murphy
Dept of General Services
Douglass & Liddell
Downey Brand LLP

Ellison Schneider & Harris LLP

Electrical Power Systems, Inc. Fresno
Engie North America
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute

Hanna & Morton LLP

ICF consulting
iCommLaw

International Power Technology Intertie
Intestate Gas Services, Inc.

Kaplan Kirsch LLP
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP

Leviton Manufacturing Co., Inc.
Los Angeles County Integrated Waste Management Task Force

MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates
Modesto Irrigation District
NLine Energy Inc.
NOSSAMAN LLP
NRG Energy Inc.

OnGrid Solar

Pacific Gas and Electric Company
Peninsula Clean Energy
Pioneer Community Energy

Public Advocates Office
Redwood Coast Energy Authority

Regulatory & Cogeneration Service, Inc.
Resource Innovations
Rockpoint Gas Storage

San Diego Gas & Electric Company
San Jose Clean Energy
SPURR

Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company

Spark Energy

Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

Utility Cost Management

Water and Energy Consulting

Yep Energy