
RENEWAL AGREEMENT FOR THE ACQUISITION OF CAPACITY

between the

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

and the

CITY OF GLENDALE

Dated as of _____ 1, 2021

relating to the

SOUTHERN TRANSMISSION SYSTEM

THIS RENEWAL AGREEMENT FOR THE ACQUISITION OF CAPACITY (the “Agreement”) dated as of _____ 1, 2021 by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (“SCPPA”) and the CITY OF GLENDALE (the “Renewal Transmission Project Participant”);

W I T N E S S E T H

WHEREAS, the Renewal Transmission Project Participant has certain rights and interests in the Existing Southern Transmission System (capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Renewal Transmission Service Contracts, as defined below);

WHEREAS, the Existing Southern Transmission System is integrated with an electric generation facility known as the Intermountain Power Project, all of which is owned by IPA;

WHEREAS, SCPPA and IPA have heretofore entered into the Original Southern Transmission System Agreement, pursuant to which SCPPA has made payments-in-aid of construction on behalf of the Original Transmission Service Purchasers to assist with financing the acquisition and construction of the Existing Southern Transmission System;

WHEREAS, IPA has heretofore entered into Original Power Sales Contracts with each of the Original Transmission Service Purchasers, pursuant to which each Original Transmission Service Purchaser is entitled to schedule, without regard to source or origin and in accordance with the terms of its Original Power Sales Contract, the use of a portion of the operating capabilities of the Existing Southern Transmission System;

WHEREAS, as permitted by the Original Power Sales Contracts, the Original Transmission Service Purchasers have heretofore entered into the Original Agreements for the Acquisition of Capacity, pursuant to which each Original Transmission Service Purchaser assigned its capacity right in the Existing Southern Transmission System to SCPPA;

WHEREAS, concurrently with the execution and delivery of the Original Agreements for the Acquisition of Capacity, the Original Transmission Service Purchasers have heretofore entered into the Original Transmission Service Contracts with SCPPA pursuant to which SCPPA provides transmission service to each Original Transmission Service Purchaser utilizing the Existing Southern Transmission System and such Original Transmission Service Purchaser makes monthly payments to SCPPA for such transmission service;

WHEREAS, SCPPA has heretofore issued bonds, notes and other evidences of indebtedness to finance and refinance the payments-in-aid of construction required under the Original Southern Transmission System Agreement, payable from revenues received under the Original Transmission Service Contracts;

WHEREAS, the Original Power Sales Contracts were last amended by the Second Amendatory Power Sales Contracts which provide for the construction and installation of natural gas-fired combined cycle power blocks and related equipment and facilities as an improvement of the Intermountain Power Project to replace the existing coal-fired generating units

of the Intermountain Power Project, and the Original Power Sales Contracts, as amended to the date hereof, contemplate significant improvements to the Existing Southern Transmission System;

WHEREAS, each of the Original Power Sales Contracts, as amended by the Second Amendatory Power Sales Contract, provides for IPA to make the Renewal Offer to the Original Transmission Service Purchasers which is to include offers to renew, and under certain circumstances may include offers to increase, the entitlements of Original Transmission Service Purchasers to the gas-fired generation capacity of the improved Intermountain Power Project and the related transmission capacity of the Southern Transmission System for a term subsequent to the Transition Date, all upon the terms set forth or described in such amended Original Power Sales Contracts;

WHEREAS, IPA made the initial Renewal Offer to the Original Transmission Service Purchasers, and three of the Original Transmission Service Purchasers (referred to herein as the Renewal Transmission Service Purchasers), including the Renewal Transmission Project Participant, ultimately have accepted on the terms set forth in the Renewal Offer with respect to the Generation Entitlement Share, the Generation Cost Share and the Transmission Cost Share, as applicable, as defined and set forth in each Renewal Power Sales Contract;

WHEREAS, the term of each of the Original Power Sales Contracts is to end on the Transition Date, and upon such termination each of the Renewal Power Sales Contracts will govern the rights and interests in the Southern Transmission System;

WHEREAS, SCPPA and IPA, together with the Renewal Transmission Project Participant and the other Renewal Transmission Service Purchasers, have discussed the desirability of SCPPA financing the costs of construction of and improvements associated with the STS Renewal Project for the continued reliable operation of the Southern Transmission System;

WHEREAS, SCPPA and IPA have concurrently herewith executed and delivered the Second Amendment to Original Southern Transmission System Agreement to assist with financing the costs of the STS Renewal Project;

WHEREAS, concurrently herewith, SCPPA and IPA are entering into the Renewal Southern Transmission System Agreement pursuant to which SCPPA, on behalf of the Renewal Transmission Service Purchasers, may make payments-in-aid of construction of the Southern Transmission Capital Improvements (including but not limited to those relating to the STS Renewal Project to the extent that the STS Renewal Project becomes a Southern Transmission Capital Improvement thereunder) to IPA on behalf of the Renewal Transmission Service Purchasers;

WHEREAS, SCPPA intends to issue Bonds, Notes and other evidences of indebtedness under the Act sufficient to generate funds for the payments-in-aid of construction of the STS Renewal Project described above, and in order to enable SCPPA to issue such Bonds, Notes and other evidences of indebtedness it is necessary for the Renewal Transmission Service Purchasers, including the Renewal Transmission Project Participant, to assign their rights to

capacity in the Southern Transmission System pursuant to this Agreement and the other Renewal Agreements for the Acquisition of Capacity' thereby providing SCPPA with the SCPPA Capacity;

WHEREAS, the Renewal Transmission Project Participant and the other Renewal Transmission Project Purchasers intend to contract for transmission service utilizing the SCPPA Capacity so as to provide for transmission of capacity and energy from the Intermountain Power Project and other resources, and SCPPA intends to sell transmission service utilizing SCPPA Capacity to the Renewal Transmission Project Participant and the other Renewal Transmission Service Purchasers pursuant to the Renewal Transmission Service Contracts;

WHEREAS, the Bonds and other debt obligations issued by SCPPA described above shall be payable from and secured by revenues generated by the Renewal Transmission Service Contracts; and

WHEREAS, the parties acknowledge that the date of initial issuance of such Bonds to finance the costs of acquiring SCPPA Capacity (the "SCPPA First Bonding Date") will precede the Transition Date, and that (i) payments-in-aid of construction to fund the STS Renewal Project will be governed by the Original Southern Transmission System Agreement prior to the Transition Date, and payments-in-aid of construction to fund Capital Improvement Acquisition and Construction Costs (including but not limited to those relating to the STS Renewal Project) will be governed by Section 3 of the Renewal Southern Transmission System Agreement commencing upon, and not prior to, the Transition Date and (ii) debt service on Bonds and other debt obligations issued or incurred by SCPPA to finance Capital Improvement Acquisition and Construction Costs (including but not limited to those relating to the STS Renewal Project) due before the Transition Date will be payable from amounts paid to SCPPA by IPA under Section 3.8 of the Original Southern Transmission System Agreement, and such debt service due on and after the Transition Date will be payable from revenues generated by the Renewal Transmission Service Contracts.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants and agreements hereafter set forth it is agreed by and between the parties hereto as follows:

Section 1. The Renewal Transmission Project Participant does (subject to Section 6) hereby assign, transfer, convey, set over and relinquish to SCPPA in accordance with this Agreement all of the Renewal Transmission Project Participant's rights and interests in the Southern Transmission System in accordance with its Renewal Power Sales Contract, being its right to capacity of the Southern Transmission System and all the Renewal Transmission Project Participant's contract rights under its Renewal Power Sales Contract relating to the Southern Transmission System; provided, however, that the Renewal Transmission Project Participant retains the right to appoint its representative to and to otherwise participate in, the Renewal Contract Coordinating Committee (as defined in the Renewal Power Sales Contract).

Section 2. SCPPA hereby agrees to issue Bonds or other debt obligations to provide funds to make payments-in-aid of construction with respect to (i) the STS Renewal Project on behalf of the Renewal Transmission Project Participant pursuant to the terms of the Original Southern Transmission System Agreement (including as amended by the Second Amendment to Original Southern Transmission System Agreement) and (ii) the Southern Transmission Capital

Improvements on behalf of the Renewal Transmission Project Participant pursuant to the terms of the Renewal Southern Transmission System Agreement.

Section 3. The Renewal Transmission Project Participant hereby agrees that all payments of Monthly Power Costs (as defined in the Renewal Power Sales Contracts) with respect to the Southern Transmission System to be made by the Renewal Transmission Project Participant which shall be made by SCPPA to IPA pursuant to the Renewal Southern Transmission System Agreement and received by IPA shall be applied in discharge of the Renewal Transmission Project Participant's obligation to make such payments of Monthly Power Costs under the Renewal Power Sales Contract and the Renewal Transmission Project Participant's obligation to pay such Monthly Power Costs shall be discharged only to the extent of such receipt. Except as discharged as herein provided, the obligation of the Renewal Transmission Project Participant to pay Monthly Power Costs under the Renewal Power Sales Contract shall continue and shall not otherwise be affected by the Renewal Southern Transmission System Agreement or this Agreement.

Section 4. The Renewal Transmission Project Participant hereby agrees that it will not consent to any amendment to its Renewal Power Sales Contract without the prior written consent of SCPPA.

Section 5. SCPPA and the Renewal Transmission Project Participant recognize that the Renewal Transmission Project Participant in accordance with its Renewal Power Sales Contract has entered into or may enter into agreements with other entities pursuant to which such entities shall have rights, including the right to use the Renewal Transmission Project Participant's Renewal Transmission Service Share (as defined in the Renewal Transmission Service Contract) which may be in excess of the needs of the Renewal Transmission Project Participant which exist from time to time. The assignment hereunder of the Renewal Transmission Project Participant's rights and interests shall not affect the rights of any such entity or entities as aforesaid. It is further recognized that such rights of said entities may, if exercised or otherwise effectuated, result in rights of such entities with respect to the Renewal Transmission Project Participant's Renewal Transmission Service Share (as defined in the Renewal Transmission Service Contract). SCPPA shall, on behalf of the Renewal Transmission Project Participant, provide portions of the Renewal Transmission Project Participant's Renewal Transmission Service Share to the entities on such terms as shall be agreed upon by the Renewal Transmission Project Participant consistent with the rights of such entities; provided, however, that no such arrangement shall release the Renewal Transmission Project Participant from any obligation hereunder or under its Renewal Transmission Service Contract, and provided further, that no such arrangement shall affect or alter the rights of the other Renewal Transmission Service Purchasers (Department of Water and Power of The City of Los Angeles and City of Burbank).

Section 6. This Agreement shall become binding upon execution and delivery hereof by the parties hereto. The assignment in Section 1 hereof shall be effective on the Transition Date.

Section 7. This Agreement shall terminate concurrently with the termination of the Renewal Transmission Service Contract between SCPPA and the Renewal Transmission Project Participant. Upon such termination, the rights and interests of SCPPA derived hereunder

shall cease and terminate and such rights and interests shall revert to the Renewal Transmission Project Participant.

Section 8. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

Section 9. This Agreement shall be interpreted, governed by and construed under the laws of the State of California including the Act, as amended, as if executed and to be performed wholly within the State of California.

Section 10. This Agreement may be executed in counterparts. Each of the parties hereto agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

[SIGNATURES ON NEXT PAGE.]

Renewal Agreement for the Acquisition of Capacity Signature page:

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its duly authorized officer.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

Attest: _____
Secretary

By: _____
President

CITY OF GLENDALE

By: _____
ROUBIK GOLANIAN
City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
General Counsel
Southern California Public Power Authority