

**RESOLUTION NO. 22-06-033**

**RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA (CLEAN POWER ALLIANCE) AUTHORIZING AND APPROVING ENTRY INTO AN AMENDMENT TO THE REVOLVING CREDIT AGREEMENT WITH JPMORGAN CHASE BANK, N.A. AND DELEGATING AUTHORITY TO THE CLEAN POWER ALLIANCE AUTHORIZED REPRESENTATIVES TO EXECUTE AND DELIVER SUCH AMENDMENT AND OTHER DOCUMENTS RELATED THERETO**

**THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:**

**WHEREAS**, Clean Power Alliance of Southern California (formerly known as Los Angeles Community Choice Energy Authority) ("Clean Power Alliance" or "CPA") was formed on June 27, 2017, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 *et seq.*;

**WHEREAS**, Clean Power Alliance is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary filings, governmental licenses and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage;

**WHEREAS**, Clean Power Alliance maintains an office at 801 S. Grand Ave., Suite 400, Los Angeles, CA 90017, and this is the principal office at which it keeps its books and records;

**WHEREAS**, pursuant to California Public Utilities Code Section 394.25(e), as implemented by the California Public Utilities Commission (the "CPUC"), if a customer of a community choice aggregator (a "CCA") is involuntarily returned to service provided by an electrical corporation, any reentry fee imposed on that customer that the CPUC deems is necessary to avoid imposing costs on other customers of the electrical corporation shall be the obligation of the CCA, and as a condition of its registration, a CCA shall post a bond or demonstrate insurance sufficient to cover those reentry fees (the "Financial Security Requirement" or "FSR");

**WHEREAS**, the FSR applicable to Clean Power Alliance is determined pursuant to Southern California Edison ("SCE") Tariff Rule 23 ("Rule 23") for the six month period from January to June and July to December, respectively, of each year, with the amount recalculated every six months and the updated amount provided by SCE to the CPUC not later than May 10 and November 10 of each year, and subject to a minimum amount currently equal to \$147,000 (the "Minimum Amount"), and

**WHEREAS**, for each period prior to July 1, 2022, the FSR applicable to Clean Power Alliance has been equal to the Minimum Amount;

**WHEREAS**, on May 10, 2022, SCE submitted its Advice Letter 4789-E to CPUC indicating that it had determined the amount of the FSR applicable to Clean Power Alliance for the posting period commencing July 1, 2022, to be \$97,011,591, an increase of \$96,864,591 (“Advice Letter”);

**WHEREAS**, under Rule 23, the FSR may be met by posting and maintaining with SCE a financial security instrument in the form of an irrevocable standby letter of credit with terms mutually agreeable to SCE, CCA, and the third-party issuer of the letter of credit, provided that (i) the issuer of the letter of credit has an investment grade rating equivalent to at least an A- by Standard & Poor’s or A3 by Moody’s, and (ii) such letter of credit is issued by a U.S. national bank, or by a U.S. branch of a foreign bank mutually acceptable to SCE and Clean Power Alliance, in form, substance and amount satisfactory to SCE, and naming SCE as the beneficiary or recipient of the letter of credit;

**WHEREAS**, although Clean Power Alliance is contesting SCE’s calculation, the Board desires to (i) authorize and approve an amendment (such amendment, or amendment and restatement) (the “Amendment”) of its Revolving Credit Agreement, dated as of September 21, 2021 (the “Credit Agreement”) with JPMorgan Chase Bank, N.A. (the “Lender”) in order to provide for, among other things described herein, an increase in the commitment amount under the Credit Agreement for purposes of permitting the issuance of a letter of credit by the Lender supporting the FSR amount, and (ii) authorize the Authorized Representatives, specified below, to execute and deliver the Amendment with such terms as described herein and in such form as the Authorized Representatives, specified below, shall approve as in the best interest of Clean Power Alliance;

**NOW, THEREFORE, BE IT DETERMINED, ORDERED, AND RESOLVED BY THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA THAT:**

- (1) **AUTHORIZED REPRESENTATIVES.** The following named individuals are the authorized representatives of Clean Power Alliance with the respective titles specified below (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

<b><u>NAMES</u></b>	<b><u>TITLES</u></b>
Diana Mahmud	Chair of the Board
Julian Gold	Chair-Elect of the Board
Ted Bardacke	Chief Executive Officer
David McNeil	Chief Financial Officer

Nancy Whang	General Counsel
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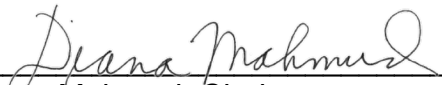
- (2) **DESCRIPTION OF AMENDMENT.** The Amendment shall contain the following terms (capitalized terms used below shall have the meanings provided in the Credit Agreement or the Fee Agreement referenced therein, as applicable):
- (a) an increase in the Commitment by an amount not to exceed \$100,000,000 which increased amount may be used solely for the issuance of a Letter of Credit ("LC") under the terms and provisions of the Credit Agreement for the benefit of SCE in respect of the FSR, with an effective date of July 1, 2022, and an expiration date of December 31, 2022, subject to renewal or extension in accordance with the terms of the Credit Agreement;
  - (b) the LC Facility Fee of 1.65% per annum specified in the Fee Agreement to the Letter of Credit and to be calculated and paid in accordance with the Fee Agreement;
  - (c) the \$500 fee specified in the Fee Agreement for the issuance of the LC shall be payable upon issuance of the LC;
  - (d) no Amendment Fee will be payable in connection with the Amendment;
  - (e) the provisions of the Credit Agreement relating to LIBOR will be deleted and replaced with corresponding provisions relating to the Secured Overnight Financing Rate (SOFR); and
  - (f) the addition to the Credit Agreement of a new credit covenant requiring Clean Power Alliance to maintain a minimum ratio of cash and cash equivalents to the aggregate amount of outstanding loans and Letters of Credit under the Credit Agreement of 1.0x, tested quarterly, which will only be applicable during the term of the Letter of Credit or other such less restrictive credit covenant as mutually agreed by Clean Power Alliance and the Lender.
- (3) **ACTIONS AUTHORIZED.** Any one of the Authorized Representatives is authorized and approved to (a) execute and deliver the Amendment, containing terms substantially conforming to those specified in paragraph 2 herein subject to such changes to such form as the Authorized Representatives shall approve as in the best interest of Clean Power Alliance, such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof, and (b) do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as any Authorized Representative may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that the Authorized Representatives are duly elected, appointed, or employed by or for the Clean Power Alliance, as the case may be. This Resolution now stands of record on the books of the Clean Power Alliance, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address set forth in the JPM Credit Agreement. Any such notice shall not affect any of the Clean Power Alliance's agreements or commitments in effect at the time notice is given.

**IT IS FURTHER DETERMINED AND ORDERED** that this Resolution shall take effect upon its passage.

**ADOPTED AND APPROVED this 2<sup>nd</sup> day of June 2022.**

By:   
Diana Mahmud, Chair

ATTEST:

  
Gabriela Monzon, Secretary