

**PALO ALTO CLEAN (CLEAN LOCAL ENERGY ACCESSIBLE NOW)**

**PROGRAM ELIGIBILITY RULES AND REQUIREMENTS**

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**A. PARTICIPATION ELIGIBILITY:**

The Palo Alto Clean Local Energy Accessible Now Program (the “CLEAN Program”) is open to participation by any Eligible Renewable Energy Resource, as defined in Section D.4, that satisfies these Program Eligibility Rules and Requirements.

**B. TERRITORIALITY REQUIREMENT:**

In order to be eligible to participate in the CLEAN Program, an Eligible Renewable Energy Resource must be located in and generating electricity from within the utility service area of the City of Palo Alto.

**C. PRICES AND TERM FOR ELIGIBLE RENEWABLE RESOURCES:**

The following purchase prices shall apply to the electricity produced by an Eligible Renewable Energy Resource participating in the Program, except as provided in Section D.5.

Solar Energy Resources:

<u>Total Solar Capacity Reserved</u>	<u>Contract Term</u>	<u>Contract Price</u>
0-3 MW	15, 20 or 25 years	\$0.165 / kWh
More than 3 MW	20 years	\$0.088 / kWh
More than 3 MW	20 years	\$0.089 / kWh
More than 3 MW	25 years	\$0.091 / kWh

Solar Energy Resources that straddle multiple pricing tiers shall receive a weighted-average purchase price based on the amount of their capacity that is contained in each tier.

Non-Solar Eligible Renewable Energy Resources:

<u>Contract Term</u>	<u>Contract Price</u>
15 years	\$0.083 / kWh
20 years	\$0.084 / kWh
25 years	\$0.085 / kWh

**D. ADDITIONAL RULES AND REQUIREMENTS:**

1. The owner of the Eligible Renewable Energy Resource shall enter into an Eligible Renewable Energy Resource Power Purchase Agreement (“PPA”) with the City of Palo Alto prior to delivering energy to the City.
2. An application for participation in the CLEAN Program to sell output to the City (the “Application”) may be submitted at any time. Applications will be considered in the

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order received.

3. Eligible Renewable Energy Resource means an electric generating facility that: (a) is defined and qualifies as an “eligible renewable energy resource” under California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25471, respectively, as amended; and (b) meets the territoriality requirement set forth in Section B.
4. The California Energy Commission’s (“CEC”) certification of the Eligible Renewable Energy Resource shall be required within six (6) months of the commercial operation date of the generating facility; the facility’s owner shall provide written notice of the CEC’s certification to the City within ten (10) business days of receipt of said certification. If the City agrees, in its sole discretion, to take delivery of the generating facility’s electricity prior to the CEC’s certification, then, as the facility’s electricity cannot be considered in fulfillment of the City’s RPS requirements, the price that the City will pay for the generating facility’s electricity (the “Pre-Certification Price”) will be set to \$0.076 per kWh (for a 20-year contract term) or \$0.08 per kWh (for a 25-year contract term), based on the estimated levelized cost of brown power over a 20-year or 25-year period, respectively. Upon the CEC’s certification of the generating facility and the provision of notice of such certification to the City in accordance with this section, the City will pay the Price set forth in Section C of these CLEAN Program Rules and Requirements and the PPA (collectively referred to as the “Contract Price”) for the generating facility’s electricity delivered on and after the date of the CEC’s certification. The City will, in its sole discretion, “true-up”, as appropriate, the difference between the Contract Price and the Pre-Certification Price for any electricity received and paid for by the City, effective as of the date of certification of the Eligible Renewable Energy Resource.
5. If an Eligible Renewable Energy Resource is authorized to participate in the CLEAN Program, then that Resource shall not be entitled to receive any rebate or other incentive from the City’s Photovoltaic (PV) Partners Program or any other similar incentive program funded by the City’s ratepayers. To the extent any rebate or incentive is paid to the owner of the Resource, that rebate or incentive shall be disgorged and refunded to the City upon 30 days’ notice, if the Eligible Renewable Energy Resource continues to participate in the CLEAN Program. If a rebate or an incentive has been paid to the Eligible Renewable Energy Resource, then that Resource shall be ineligible to participate in the CLEAN Program.
6. All electricity generated by the Eligible Renewable Energy Resource shall be delivered only to the City. No portion of the electricity may be used to offset any load of the generating facility (other than incidental loads associated with operating the generating facility).
7. A metering and administration fee will be charged to each Eligible Renewable Energy

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Resource that participates in the CLEAN Program. See Utilities Rate Schedule E-15 (Electric Service Connection Fees).

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