

Butte Choice Energy Authority

Board of Directors Regular Meeting

Monday, October 11, 2021, 5:30 pm
326 Huss Lane, Chico, CA 95928

Butte Choice Energy (BCE) Board meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact kreaster@buttecounty.net.

If you have anything that you wish to be distributed to the Board please hand it to a BCE interim staff member who will distribute the information to the Board members and other staff.

Coronavirus (COVID-19) Advisory Notice: The health and safety of community members, public officials and employees is a top priority for BCEA. Members of the BCEA Board and BCEA staff will be participating in person, electronically, or via teleconference in this meeting. Chambers are open to the public. Pursuant to CDPH guidelines, face masks are not required for individuals fully vaccinated against COVID-19. Entering the chambers without a mask will be considered a self-attestation that an individual is fully vaccinated. Anyone may choose to continue wearing a mask, regardless of vaccination status.

Remote Public Participation:

A) How to watch/participate in the meeting via WebEx:

Meeting Link: [BCEA 10.11.21 Meeting](#)

Meeting Password: BcEA10-11-21

Attendees will be admitted into the meeting beginning at 5pm the day of the meeting.

B) How to provide public comment:

- a) Before the meeting: email your comments to ButteChoiceEnergyCOB@buttecounty.net no later than noon on Monday, October 10, 2021 and they will be forwarded to the Board and included in the public record. Be sure to include the agenda item number you are addressing, as well as your full name and address.
- b) During the meeting: email your comment to ButteChoiceEnergyCOB@buttecounty.net and your comment will be read verbatim into the record.

Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact ButteChoiceEnergyCOB@buttecounty.net as soon as possible to ensure arrangements for accommodation.

1. Call to Order

2. Public Comment for Items Not on the Agenda

This item is reserved for persons wishing to provide comment to the Board on any BCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be at the time the matter is called. Public comments from members of the public that are read at this meeting will be limited to 300 words.

3. **Consent Agenda**

- a. **Resolution Authorizing Continued Teleconference Meetings of the Board of Directors pursuant to the Ralph M. Brown Act as amended by AB 361**
Requested Action: Approve resolution and authorize Chair to sign.
- b. **Approval of Minutes from August 9, 2021 Board Meeting**
Requested Action: Approve the Minutes from the August 9, 2021 Board Meeting.
- c. **Approval of Kayla Reaster and Shaina Paulsen to serve as Interim BCE Secretaries/Clerks**
Requested Action: Appoint Kayla Reaster and Shaina Paulsen as Interim BCE Secretaries/Clerks

4. **Regular Agenda**

- a. **Chair and Vice Chair Selection**
Requested Action: Select a Chair and Vice Chair from remaining Directors for Fiscal Year 2021-22 pursuant to section 5.1 of Joint Powers Authority agreement.
- b. **Communicat Choice Aggregation – General Market Update**
Requested Action: Receive update on the overall CCA and CA energy market, including key market pricing variables (RA, PCIA), CCA financing and other startup CCAs.
- c. **Professional Service Contracts Review**
Requested Action: Review technical and professional services contracts currently in place and provide direction to staff.

5. **Board Member and Staff Announcements**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events or activities related to BCE business. There is to be no action taken on comments made by Directors unless authorized by law.

6. **Closed Session**

- a. Public Employee Personnel Evaluation: Brian Ring and Erik Gustafson, Interim Executive Directors

7. **Adjournment**

Public records that relate to any item on the open session agenda for a regular Board meeting are available on the BCEA website at www.buttechoiceenergy.org. Public records that are distributed less than 72 hours prior to the meeting will be posted for public review at the same time they are distributed to all members, or a majority of the members of the Board.

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 3a

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Resolution Authorizing Continued Teleconference Meetings of the Board of Supervisors pursuant to the Ralph M. Brown Act as amended by AB 361

Date: October 11, 2021

Recommendation

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Ralph M. Brown Act (the "Brown Act") to allow local legislative bodies to hold public meetings via teleconference without meeting the traditional teleconference standards of the Brown Act as a result of the COVID-19 pandemic. On September 16, 2021, Governor Newsom signed AB 361 to amend the Brown Act to allow legislative bodies to utilize alternative standards for teleconference meetings during a proclaimed state of emergency when (1) state or local officials impose or recommend social/physical distancing or (2) the body meets for the purpose of deciding or has met to decide by majority vote that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. The legislative body is required to reconsider and extend the findings every thirty (30) days to continue to meet via teleconferencing under the alternative standards.

If the Board desires to continue to have the ability to meet remotely via teleconference, the Board is required to adopt a resolution making the findings required by AB 361. This resolution would be effective through November 10, 2021 or such time the Board adopts a subsequent resolution to continue this ability.

RESOLUTION OF THE BUTTE CHOICE ENERGY BOARD OF DIRECTORS AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OF OCTOBER 11, 2021 THROUGH NOVEMBER 10, 2021 PURSUANT TO THE RALPH M. BROWN ACT

WHEREAS, all meetings of the Board of Supervisors (the “Board”) and its legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov’t Code section 54950 et seq.), so that any member of the public may attend, participate and view the legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions and requirements; and

WHEREAS, Government Code section 54953(e) requirements include but are not limited to (1) the existence of a state of emergency declared by the Governor pursuant to Government Code section 8625 and (2) State or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic and as of the date of this Resolution, the proclaimed state of emergency remains in effect; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 *et seq.*) to allow local legislative bodies to hold public meetings via teleconference; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provisions of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as “AB 361”); and

WHEREAS, to preserve public health and safety, the State Public Health Officer has issued various orders and guidance regarding COVID-19 prevention measures, which include references and a statement of support for social distancing recommendations (see Guidance for Use of Face Coverings (updated July 28, 2021) and COVID-19 Public Health Recommendations for Fully Vaccinated People (dated August 24, 2021)); and

WHEREAS, the California Department of Industrial Relations has issued COVID-19 Prevention regulations in Title 8 of the California Code of Regulations (Section 3205 et seq.) which requires employers to (1) have a written COVID-19 prevention program including employee training that promotes physical distancing as an infection prevention measure and (2) consider implementing physical distancing where feasible as a response to COVID-19 outbreaks; and

WHEREAS, based on the foregoing, the Board finds that (1) the Governor’s Proclaimed State of Emergency as a result of the COVID-19 pandemic is currently in effect and has not been terminated and (2) State officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Board has considered the circumstances of the state of emergency, including all information related to this matter, the associated staff report and other information relating to COVID-19 provided at prior public meetings of the Board; and

WHEREAS, in light of the foregoing, the Board desires to continue to have the flexibility to meet via tele/video conference and the Board finds that it and its legislative bodies shall be permitted to conduct their meetings by teleconferencing without compliance with Government Code section 54953(b)(3) pursuant to section 54953(e), and such

legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed by section 54953(e)(2).

NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED by the Butte Choice Energy Board of Directors as follows:

1. The facts set forth in the above recitals are true and correct and incorporated into this resolution by reference;
2. As a result of the continuing COVID-19 state of emergency declared by Governor Newsom, State officials continue to impose or recommend measures to promote social distancing based on the State Public Health Officer's guidance and recommendations supporting social distancing and the Department of Industrial Relations' issuance of COVID-19 Prevention regulations through Title 8 of the California Code of Regulations, section 3205 et seq. promoting social distancing in the workplace.
3. Under the present circumstances, the Board and any of its legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 11, 2021 or (ii) such time the Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which its legislative bodies may continue to teleconference without compliance with Section 54953(b)(3).

PASSED AND ADOPTED by the Butte Choice Energy Board of Directors this 11th day of October, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

Butte Choice Energy Board of Directors

ATTEST:

Kalya Reaster, Clerk

By: _____

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 3b

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: August 9, 2021 BCE Board Meeting Minutes Approval

Date: October 11, 2021

Recommendation

Staff recommend approval of the August 9,2021 BCE Board meeting minutes.

Butte Choice Energy Authority

MINUTES

August 9, 2021

1. **CALL TO ORDER**

The meeting was held virtually, and in-person.

Present: Debra Lucero, Butte County Board of Supervisor, District 2
Doug Teeter, Butte County Board of Supervisor, District 5 (Virtual)
Alex Brown, Chico City Council (Virtual)
Scott Thomson, Vice-Mayor of Oroville (Virtual)
Brian Ring, Interim Executive Director
Erik Gustafson, Interim Executive Director
Ryan Baron, General Counsel (Virtual)
Kayla Reaster, Interim Clerk of the Board

Absent: Chuck Reynolds, Oroville Mayor

2. **PUBLIC COMMENT**

PUBLIC COMMENT WAS OPENED AND CLOSED WITHOUT ANY SPEAKERS.

3. **CONSENT AGENDA**

**MOTION: APPROVE THE CONSENT AGENDA.
(MOTION: BROWN; SECOND: TEETER)**

VOTE: MOTION PASSED 4-0-1

AYES: BROWN, TEETER, THOMPSON AND LUCERO,

NAYS: NONE

ABSENT: Reynolds

- a. Minutes from June 14, 2021 Board Meeting
Board action: Minutes approved.

4. REGULAR AGENDA

a. None

5. BOARD MEMBER AND STAFF ANNOUNCEMENTS None.

6. Closed Session

a. Public Employee Personnel Evaluation: Brian Ring and Erik Gustafson, Interim Executive Directors

7. ADJOURNMENT

There being no further business before the Butte Choice Energy Authority, the meeting adjourned. The Butte Choice Energy Authority will reconvene at the next regular meeting, scheduled for October 11, 2021.

ATTEST:

Kayla Reaster

Interim Secretary and

Interim Clerk of the Board

Debra Lucero, Chair

Butte Choice Energy Authority

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 3c

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Appointment of Interim BCE Secretaries/Clerks

Date: October 11, 2021

Recommendation

Staff recommend appointing Kayla Reaster, Assistant Clerk of the Board (Butte County) and Shaina Paulsen, Associate Clerk of the Board (Butte County) as Co Interim BCE Secretaries/Clerks.

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4a

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: BCE Chair and Vice Chair Selection

Date: October 11, 2021

Recommendation

Pursuant to section 5.1 of Joint Powers Authority agreement, select a Chair and Vice Chair for Fiscal Year 2021/22.

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4b

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: CA Market and Credit Update

Date: October 11, 2021

Recommendation

Continue to receive energy market updates from staff and Counsel.

Background

In 2020 the BCE Board of Directors received periodic energy and credit market updates as staff continued to track the market and determine best-case timing for program launch. As a result of continued market volatility into 2021, the Board of Directors moved to continue the delay and determine a date in 2022 for a 2024 launch once market conditions return to a favorable position. With ongoing market instability that continued into 2021, staff are providing a brief to the Board.

Analysis & Discussion

Market volatility in energy prices continues; however, 2021 summer prices were somewhat lower than expected due to the lack of heat storms and rolling blackouts that were experienced in 2020. Summer 2021 prices for North Path (NP15) On-peak power for our area were \$157.00, \$173.70, and \$125.00 per MWh during July, August, and September. As of October 6, North Path 15 (NP15) On-Peak power for our area is forecasted at \$111.15, \$115.95, and \$99.05 per MWh during July 2022, August 2022, and September 2022. Furthermore, in subsequent years indicative pricing for energy is forecasted at \$57.01 per MWh in 2023, \$45.25 per MWh in 2024, and \$42.10 per MWh in 2025. As reported in June, the renewable premium for PCC1 continues to fall to \$12.75 MWh from the previous highs of \$17 - \$18 per MWh. This decline is contributed to the number of large renewable projects coming online and power purchasers entering long term agreements with renewable generators.

Power prices are predicted to drop, however continued concerns of heat storms and overall higher temperatures that cause brownouts and black outs still plague the market. Prices also track quite higher during the summer months so launch timing will critical, so BCE initial base procurement doesn't happen during the Summer months of July through September. Due to the continued volatility, both Interim Co-Executive Officers and power supply consultants will need to monitor conditions and continue to provide ongoing updates the Board. Outside of regular power costs, Resource Adequacy (RA) and the Power Charge Indifference Adjustment (PCIA) continue to contribute to unfavorable market conditions.

Resource Adequacy (RA) in BCE service territory is scarce and has been transacting at \$8.00 per kW, which is nearly double the price seen in 2020. Recent prices have been as high as \$9.00 per kW. This increase is compared to \$3.48 per kW recorded in 2018 after the feasibility of starting a local CCA was

analyzed. However, the RA Central Procurement Entity (CPE) is still slated to launch in 2023, whereby PG&E would procure Local RA for Load Servicing Entities in its territory. It's anticipated that RA costs will reduce and stabilize once the CPE is established and underway.

In 2021 PG&E raised its PCIA fees by approximately 41%, which existing CCAs in PG&E's territory will pay throughout the calendar year. The increase in the PCIA results from PG&E's under-collection of departing load charges and is expected to continue for the time being.

Staff also learned that Western Community Energy (WCE), a CCA in Southern California filed for chapter-9 bankruptcy protection in June 2021. WCE is located in Riverside County and served the Cities of Eastvale, Hemet, Jurupa Valley, Norco, Perris, and Wildomar. WCE launched in April of 2020 during the beginning of the COVID-19 pandemic and quickly experienced several conditions that caused the startup CCA to become financially unstable.

Prior to the Summer of 2020, WCE had secured 90% of electrical needs for the summer months. Unfortunately, an early summer heat storm prematurely exhausted the power supplies causing WCE to procure additional power on an emergency basis. It's the opinion of some industry analysts the additional procurement was conditioned with unfavorable terms due to timing and urgency. The heat wave continued and WCE had to ultimately purchase \$12 million in unanticipated energy costs throughout the summer season.

Additionally, the State of California issued an order during the COVID-19 Pandemic, implemented by the California Public Utilities Commission (CPUC) that mandated no customers could be disconnected due to non-payment of utility bills. Throughout the Pandemic utility delinquencies soared to ten times higher than what was experienced pre-Pandemic and significantly impacted WCE's financial status. These issues along with unfavorable RA and PCIA costs prompted the WCE Board to approve a resolution declaring a fiscal emergency authorizing its legal counsel to proceed with the bankruptcy filing.

WCE's launch timing was detrimental to their financial status as they weren't able to operate long enough to build up operational reserves and position the CCA to withstand the unprecedented and damaging market conditions. WCE is the first CCA in California to file for bankruptcy protection. In addition, BCE and the Cities of Hanford and Palmdale are CCA's that submitted decertification letters to the CPUC after filing implementation plans. City of Palmdale staff also recognized the unfavorable market conditions and postponed their initial launch, then later decertified citing market conditions similarly to BCE.

BCE Interim Co-Executive Officers and consultants feel that favorable market conditions will return once the PCIA Central Procurement Entity is established, and RA costs reduce and stabilize. These items along with power costs will need to decrease before creditors become comfortable issuing credit to new start up CCA's again. Interim Co-Executive Officers, Ring and Gustafson recommend BCE Board of Directors continue receiving market updates and information to make an informed decision in 2022 and 2023 for a projected 2024 launch date.

Fiscal Impact

None at this time

Attachments

None at this time

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4c

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Technical Support and Professional Service Contracts Review

Date: October 11, 2021

Recommendation

Receive update and provide direction and feedback as needed.

Background

Butte Choice Energy was originally slated to launch operations in 2021. Due to the direct impacts COVID-19 had on the overall credit market and other energy related variables, in July of 2020 your Board determined to delay the launch to a date to be determined in 2022. Later in 2020 after a comprehensive market analysis was presented, your Board determined to push the launch back to 2023. In December of 2020, the contracts for Calpine Energy Solutions, Pilot Power Group and ZGlobal were all extended to align with the decision to push the launch date out to 2023 (as those contracts were slated to commence in 2021 and term in 2023).

Below is a summary of key technical support and professional services contracts currently in place (or expired).

Technical Support Consultants to assist with day to day technical and operational matters:

- LEAN Energy US – Technical Support contract expired 06/30/21;
- GDS Associates, Inc. (formerly EES) – Technical Support contract expired 6/30/21;
- Pilot Power Group – Technical Support Contract (Pro-forma and feasibility analysis focused) – not to exceed \$13,900 – contract expires 6/30/23;
- BB&K – Legal Counsel (general counsel and regulatory) - \$161,507 remains on contract – contract expires 2/28/23;

Professional Services:

- Pilot Power Group (PPG) – Wholesale Energy Services (load forecasting, energy procurement protocols, energy procurement, regulatory compliance, risk mgmt.) – contract valid through 6/30/2026;
- Z-Global – Schedule Coordination (coordination between CAISO, load forecasting) – contract valid through two years after commencement of services;
- Calpine Energy Solutions – Data Management/Customer Service (data transfers, customer service, call center, billing administration/coordination) – contract valid through three years after commencement of services.

Summary

Day to day technical and operational assistance is needed. Staff recommend putting out an RFP to identify alternatives available. In addition, staff recommend the Board appoint two board members to sit on the selection panel for this consultant.

Three significant Professional Services contracts were agreed to in the Spring of 2020 that provided services essential for a successful CCA launch. Since that time, much has changed in the world and there have been many impacts to CCA's. While there have been new CCA's to launch since the Spring of 2020, a number of CCA's have been forced to decertify and another has filed for bankruptcy. The credit market has tightened significantly in the last two years. There may be other alternatives available and the market may bare lower costs.

Staff recommend first bringing on a technical/operational support consultant while having initial conversations with the three existing consultants (PPG, Z-Global and Calpine) regarding the fiscal terms fo the existing contracts.

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN BUTTE CHOICE ENERGY AUTHORITY
AND CALPINE ENERGY SOLUTIONS**

This First Amendment (“**Amendment**”) is made and entered into on December __, 2020 by and between BUTTE CHOICE ENERGY AUTHORITY (“**BCEA**”), a California joint powers authority and CALPINE ENERGY SOLUTIONS, LLC (“**Consultant**”), a California limited liability company. BCEA and Consultant are sometimes individually referred to as a “**Party**” or collectively as “**Parties**”.

RECITALS

A. BCEA and Consultant are Parties to that certain Professional Services Agreement, dated April 21, 2020 (“**Agreement**”).

B. BCEA and Consultant desire to amend the Agreement to delay Consultant’s services to BCEA’s revised launch date estimated in 2023.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Agreement Term. Section 3.1.2 of the Agreement is replaced in its entirety as follows:

“3.1.2 Term. This Agreement shall be effective on the Effective Date. Unless earlier terminated as provided herein, this Agreement shall commence on the Power Start Date and remain in effect through a period of 36 months following the Power Start Date (“**Initial Term**”). At the end of the Initial Term, the Agreement shall renew on an annual basis for successive one (1) year terms (each, a “**Renewal Term**”), unless a Party provides six (6) months prior written notice of its intent not to extend the term of the Agreement. Consultant shall provide the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. For the avoidance of doubt, the Parties agree that Consultant’s obligations under this Agreement shall be suspended until twelve (12) calendar month prior to the Power Start Date.”

The second sentence in Exhibit A (Scope of Services/Compensation), Section 1 is replaced with the following:

“The delivery date for power (“**Power Start Date**”) is expected to be as early as January 2023 or a date mutually agreed to by the Parties.”

2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.

3. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

4. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, BCEA and Consultant have executed this Amendment as of the date first written above.

BUTTE CHOICE ENERGY
AUTHORITY

CALPINE ENERGY SOLUTIONS

By: _____
Brian Ring/Erik Gustafson
Interim Chief Executive Officer

By: _____
Title: _____

APPROVED AS TO FORM:

ATTEST:

By: _____
General Counsel
Best Best & Krieger LLP

By: _____
Its: _____

**FIRST AMENDMENT TO AGREEMENT BETWEEN BUTTE CHOICE
ENERGY AUTHORITY AND PILOT POWER GROUP, LLC.
FOR WHOLESALE ENERGY SERVICES**

This First Amendment (“First Amendment”) to that certain Wholesale Energy Services Agreement (“**Agreement**”) dated May 1, 2020, by and between BUTTE CHOICE ENERGY AUTHORITY, a California joint powers authority (“**BCEA**”) and PILOT POWER GROUP, LLC., a California limited liability company (“**Consultant**”) is effective as of December ____, 2020 (the “Effective Date”). BCEA and Consultant are sometimes individually referred to as a “**Party**” and collectively as “**Parties.**” Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

RECITALS

WHEREAS, BCEA desires to delay its Launch Date until 2023 and extend the term of the Agreement; and

WHEREAS, Consultant is willing to permit BCEA to delay its launch and extend the term of the Agreement.

NOW, THEREFORE, BCEA and Consultant agree to amend and revise the Agreement as follows:

1. Recital B of the Agreement is hereby deleted in its entirety and replaced with the following:

“B. In addition, Consultant is willing to defer the first 90 days of its post launch service fees (“**Deferred Financing**”), as defined in the Consultant Fee Schedule and Payments attached hereto as Exhibit B. BCEA will compensate Consultant for Deferred Financing as set forth in Exhibit B.”

2. Section 1.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

1.2 “Term. This Agreement shall be effective on the Effective Date. Unless earlier terminated as provided herein, this Agreement shall remain in effect through June 30, 2026 (“**Initial Term**”). At the end of the Initial Term, the Agreement shall renew on an annual basis for successive one (1) year terms (each, a “**Renewal Term**”), unless a Party provides six (6) months prior written notice of its intent not to extend the term of the Agreement. Consultant shall provide the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.”

IN WITNESS WHEREOF, the Parties hereby have made and executed this First Amendment as of the date first written above.

BUTTE COUNTY ENERGY

PILOT POWER GROUP, LLC.

By : _____
Name: Brian Ring
Title: Interim Chief Executive Officer

By : _____
Name: Denis Vermette
Title: President and CFO

By : _____
Name: Erik Gustafson
Title: Interim Chief Executive Officer

By : _____
Name: Ian Middleton
Title: Chief Operating Officer

ATTEST:

Secretary, BCEA Board of Directors

APPROVED AS TO FORM:

BCEA General Counsel

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

**FIRST AMENDMENT TO SCHEDULE COORDINATOR SERVICES AGREEMENT
BETWEEN BUTTE CHOICE ENERGY AUTHORITY AND ZGLOBAL INC.**

This First Amendment (“**Amendment**”) is made and entered into on December __, 2020 by and between BUTTE CHOICE ENERGY AUTHORITY (“**BCEA**”) and ZGLOBAL INC. (“**Consultant**”). BCEA and Consultant are sometimes individually referred to as a “**Party**” or collectively as “**Parties**”.

RECITALS

A. BCEA and Consultant are Parties to that certain Schedule Services Agreement, dated April 24, 2020 (“**Agreement**”).

B. BCEA and Consultant desire to amend the Agreement to delay Consultant’s services to BCEA’s revised launch date estimated in 2023.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Agreement Term. Section 1.2 of the Agreement is replaced in its entirety as follows:

“1.2 Term. This Agreement shall be effective on the date BCEA notifies ZGlobal that the Services provided for herein are required to commence. Unless earlier terminated as provided herein, this Agreement shall remain in effect for approximately two (2) years through December 31 after twenty-four (24) calendar months from the date Services commence (“**Initial Term**”). For example, if Services commence on July 15, 2023, then the Initial Term extends through December 31, 2025. At the end of the Initial Term, the Agreement shall renew on an annual basis for successive one (1) year terms (each, a “**Renewal Term**”), unless a Party provides six (6) months prior written notice of its intent not to extend the term of the Agreement. Consultant shall provide Services within the term of this Agreement, and shall meet any other established schedules and deadlines.”

2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.

3. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

4. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

//

IN WITNESS WHEREOF, BCEA and Consultant have executed this Amendment as of the date first written above.

ZGLOBAL INC.

By: _____
Name: Ziad Alaywan P.E.
Title: CEO

By: _____
Name: Deborah Alaywan
Title: CFO

BUTTE CHOICE ENERGY AUTHORITY

By: _____
Name: Brian Ring
Title: Interim CEO

By: _____
Name: Erik Gustafson
Title: Interim CEO

ATTEST:

By: _____
Name:
Title: Secretary BCEA Board of Directors

APPROVED AS TO FORM:

By: _____
Name: Ryan Baron
Title: BCEA General Counsel