



July __, 2020

Burney Water District
20222 Hudson Street
Burney, CA 96013
Attention: William Rodriguez, District Manager

RE: Microgrid Project at Wells 6 & 7, Hudson Street, Burney, CA

Dear Mr. Rodriguez:

Thank you for the interest the Burney Water District ("**BWD**") has expressed in EDF Renewables Distributed Solutions, Inc. ("**EDF-DS**") developing an SGIP Application in the pursuit of creating a microgrid project supporting renewable energy and resiliency at BWD Wells 6 and 7 on Hudson Street, Burney, CA (the "**Premises**"). This letter of intent ("**Letter**") offers terms that will enable the BWD to secure an incentive through California's Self Generation Incentive Program ("**SGIP**") while preserving the required optionality and timing for its decision-making, procurement, and contracting process.

This Letter includes binding commitments of the BWD and EDF-DS to undertake certain development-related covenants. Both EDF-DS and the BWD understand that the BWD may need or choose to conduct a formal public solicitation for procurement of the Project and the terms outlined here explicitly account for the process and its required timing, including the possibility of the BWD not pursuing the Project. If and when the BWD decides to implement the Project, the BWD would enter into "**Definitive Contracts**" with an energy solution provider to enable the delivery of the Project.

The "**Project**" as currently envisioned would include the following located at the Premises: a 605 kW solar photovoltaic system, a 400 kW, 2371 kWh battery energy storage system ("**BESS**"), a 600 kW Genset, and microgrid infrastructure. When installed and operational, the Project is expected to provide BWD cost savings and on-site generation during potential outages from the electric utility.

In consideration of the mutual covenants of the BWD and EDF-DS in this Letter, by executing or countersigning this Letter, each of the BWD and EDF-DS covenant and agree as set forth in the following, numbered paragraphs ("**Binding Paragraphs**"):

SAN DIEGO, CA
15445 Innovation
Dr.
San Diego, CA
92128

800.374.4494
info@edf-re.com

www.edf-re.com/distributed-solutions

1. The “**Development Period**” is the period beginning the date of this Letter, and ending 6 months after the date (“**SGIP Approval Date**”) of delivery of an email notification of an approved SGIP reservation for the BESS.
2. During the Development Period, EDF-DS will perform the following “**Task Deliverables:**” (a) prepare the SGIP application required to secure the SGIP financial incentive for the BESS and (b) pay the SGIP application deposit delineated in **Appendix A**.
3. To the extent that the provision of Task Deliverables requires EDF-DS or its agent or subcontractor (each, an “**Access Party**”) to enter onto the Premises, the BWD will permit each Access Party to have reasonable access to the Premises on advance notice and in coordination with the BWD. In consideration of such access, during the Development Period, EDF-DS will maintain, and upon request of the BWD, EDF-DS will provide the BWD evidence (insurance certificate will suffice) of the following insurance coverages: (A) commercial general liability insurance, with a per-occurrence limit of not less than One Million Dollars (\$1,000,000), Two Million Dollars (\$2,000,000) general aggregate, for bodily injury and/or property damage; (C) worker’s compensation coverage as required by the State of California; and (D) umbrella liability coverage with a per-occurrence limit of not less than Four Million Dollars (\$4,000,000), Four Million Dollars aggregate (\$4,000,000)
4. In consideration of the delivery to the BWD of the Task Deliverables, the BWD will pay EDF-DS approximately \$89,811.15 (“**Deliverable Fee**”). The total Deliverable Fee payable pursuant to this Letter equals the SGIP deposit fee of \$89,811.15. The Deliverable Fee will be payable within 180 days after the SGIP Approval Date.
5. To the extent the Definitive Contracts between the BWD and EDF-DS are executed and delivered by the last day of the Development Period, any Deliverable Fee shall be payable as provided in the applicable Definitive Contracts, and will not be separately payable under this Letter.
6. Except as necessary with respect to the submission of the SGIP application for the Project, neither the BWD nor EDF-DS will make any public disclosure concerning the matters set forth in this Letter, the negotiation of the proposed Definitive Contracts, or confidential or proprietary information provided by the other party that is not publicly known at the time of first disclosure and that is not already in the possession of the recipient.
7. This Letter and the Term Sheet will terminate and be of no further force or effect on the earlier of: (A) the last day of the Development Period, (B) the date the Definitive Contracts are executed and delivered by the BWD and EDF; or (C) **July 30, 2020**, if this Letter agreement is not countersigned by the BWD and returned to EDF-DS by that date.

8. Except for these Binding Paragraphs, this Letter does not create, nor is this Letter intended to create, a binding and enforceable contract between the BWD and EDF-DS. A binding commitment will only result from the mutual execution and delivery of Definitive Contracts.

If the BWD agrees with the terms of this Letter, please have this Letter countersigned on behalf of the BWD and return this Letter to EDF-DS via email at katie.cafouros@edf-re.com. Upon receipt by EDF, this Letter will bind the BWD and EDF as provided herein.

We look forward to working with the BWD on the Project.

Sincerely,

EDF RENEWABLES DISTRIBUTED SOLUTIONS, INC.

By: _____
Rod Viens, Senior Vice President

ACCEPTED AND AGREED AS PROVIDED ABOVE:
Burney Water District

By: _____
Name: _____
Title: _____
Date: _____



Appendix A
Task Deliverables

EDF-DS will perform the following "**Development Tasks**" and will deliver to the BWD the following deliverables with respect to the Project:

	Development Task	Task Deliverable	Amount
i.	Development and Submission of Self Generation Incentive Application (SGIP) Application	SGIP Application and accompanying documentation	\$0
ii.	Payment of Self Generation Incentive Program Application Deposit	SGIP Application Deposit funds that, under the SGIP, are refunded when the Project begins operation	\$89,811.15 (Estimated)

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