

OPERATIONAL SERVICES AGREEMENT

This OPERATIONAL SERVICES AGREEMENT (this "Agreement"), dated as of March 9, 2022 (the "Effective Date") sets forth the terms and conditions under which Calpine Energy Solutions, LLC, a California limited liability company ("Solutions") agrees to perform certain operational services for County Sanitation District No. 2 of Los Angeles County ("Client"). Solutions and Client are hereinafter collectively referred to as "Parties" and individually as "Party."

The Parties hereby agree that this Agreement supersedes and replaces, in their entirety, the following:

- Confirmation for Generation Scheduling and Settlement Services (**Reference: Joint Water Pollution Control Plant (JWPCP) SC Confirmation**) dated May 25, 2016, including all amendments thereto.
- Confirmation for Generation Scheduling and Settlement Services (**Reference: Puente Hills Gas-to-Energy Facility Phase I SC Confirmation**) dated May 25, 2016, including all amendments thereto.
- Confirmation for Generation Scheduling and Settlement Services (**Reference: Calabasas Landfill Gas-to-Energy Facility SC Confirmation**) dated May 25, 2016, including all amendments thereto.

Capitalized terms used, but not defined in this Agreement, have the meanings ascribed to such terms in the Fifth Replacement FERC Electric Tariff of the California Independent System Operator Corporation (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "CAISO Tariff").

1. **Scope of Services.** Solutions will perform Operational Services in connection with the Client's generation resources ("Resource(s)"). The specific scope of the Operational Services, including pricing and duration of the services shall be set forth in the Addendum for Operational Services for each Resource that is attached to and forms a part of this Agreement (the "Addendum"), mutually executed by the Parties (the services specified in the Addendum, the "Operational Services").

2. **Term and Effective Date.**

(a) This Agreement shall commence on the Start Date set forth in Section 1 of the Addendum and shall continue through the End Date set forth in Section 1 of the Addendum.

(b) **Termination for Cause.** If one of the following events occurs with respect to one Party, the other Party (the "Non-Defaulting Party") shall have the right to terminate this Agreement, upon the delivery of written notice to such other Party:

- (i) The failure to make, when due, any undisputed payment due under this Agreement if such failure is not remedied within ten (10) Business Days after written notice of such failure is given to such Party failing to make payment or post security; or
- (ii) The default in the observance or performance by a Party of any of such Party's material covenants or agreements in this Agreement (other than a default in a payment obligation or obligation to post security set forth herein) and such default continues unremedied ten (10) Business Days after written notice is given to such Party failing to perform its covenants or agreements under this Agreement; or

(iii) Either Party shall:

(A) make an assignment or any general arrangement for the benefit of creditors; or

(B) file a petition or otherwise commence, authorize or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, whether voluntary or involuntary, or

(C) otherwise become bankrupt or insolvent (however evidenced); or

(D) be unable to pay its debts as they fall due.

(c) Optional Termination. Notwithstanding anything to the contrary in this Agreement, either Party may terminate this Agreement at any time for any reason or no reason by providing ninety (90) days' prior written notice to the other Party, unless otherwise agreed to by the Parties in writing. In addition, Client may by providing written notice to Solutions immediately terminate this Agreement if the aggregate losses incurred by Client due to Solutions' breach of its obligations are in excess of the limitation specified in Section.

(d) Effect of Termination. Notwithstanding anything else set forth herein, the termination of this Agreement shall not relieve either Party of (i) any unfulfilled obligation or undischarged liability of such Party's existing as of the termination date, (ii) the consequences of any breach or default under this Agreement to the extent not excused by this Agreement, or (iii) any obligations or liabilities arising from provisions of this Agreement that either expressly or by their nature survive the termination of this Agreement. Within ninety (90) days after the termination of this Agreement, any amounts due from either Party shall be paid, any corrections or adjustments to payments previously made shall be determined, and any refunds made. Both parties must notify CAISO of a change in the designated Scheduling Coordinator thirty (30) days prior to change taking effect.

3. Service Fee. Client shall pay Solutions the Service Fee as set forth in the Addendum for the Services.

4. Monthly Settlement.

(a) Third Party Costs. Each month Solutions shall assemble all third party charges incurred for services performed by Solutions according to CAISO Settlements timeline in the Monthly Report. If actual third party charges are not available for inclusion in the Monthly Report, Solutions may estimate such charges using customary business practices, with appropriate invoice adjustments to be made when actual charges are known and indicated on future invoices and annotated as such. For purposes of this Section, "third party charges" means those out-of-pocket costs and expenses incurred by Solutions in the performance of the Operational Services other than those costs and expenses (i) consisting of corporate expenses, overheads, internal allocations or other indirect expenses of Solutions or its affiliates, and (ii) associated with maintaining those systems, licenses, permits and other authorizations necessary for the performance of the services.

(b) CAISO Settlements. Each month Solutions shall provide Client with an estimate of the amount of CAISO Settlement amounts attributable to Client through the forthcoming Settlement Period. Solutions shall receive or pay any Settlement costs incurred by Solutions on behalf of Client and incorporated within invoices from CAISO on or before the due date in accordance with the CAISO Tariff for inclusion in the Monthly Report.

- (c) **Payment Information.** Each month Solutions shall deliver to Client a statement, which may be based on commercially reasonable estimated amounts if actual amounts are not available, in electronic form and in writing setting forth amounts due Client or Solutions, as the case may be, under this Agreement (the "Monthly Report"). Each Party shall pay all amounts owed by it under this Agreement in dollars by wire transfer in immediately available funds to the account of the payee Party set forth below. Solutions and Client shall net all amounts due between Client and Solutions in respect of a month arising under this Agreement or under any other agreement between Client and Solutions. If Solutions and Client each owes an amount to the other in the same month, then such amounts with respect to each Party shall be aggregated, and the Parties shall satisfy their payment obligations through netting, in which case the Party owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed. Client shall pay to Solutions the net amount owed to Solutions, if any, by the later of the 10th Business Day after the statement was received or the 20th day of the month in which the statement was received. If Solutions owes an amount to Client, Solutions shall pay the amount to the Client by the end of the month when the Monthly Report was provided or, if amounts are due from Solutions after the term of this Agreement has expired and the calculations of such amount is based on estimates, Solutions shall make such payment within ten (10) Business Days after actual amounts are known. If the payment due date is not a Business Day, the payment will be due on the next Business Day. Concurrently with the delivery of each Monthly Report, Solutions shall provide Client with CAISO settlement data (including charge code data at the lowest available level of granularity) for such month and such other information as Client may reasonably request in order to permit Client to verify the amounts set forth therein.

All overdue payments shall accrue interest daily from the due date to the date paid at the per annum rate equal to the lower of 2% over the U.S. prime rate, as published in the Money Rates section of *The Wall Street Journal* for such day (or if the rate is not published for such day, on the immediately preceding day published), and the maximum lawful rate.

Payments by Solutions to Client shall be made via wire transfer to the following account:

Sanitation Districts of Los Angeles County
Bank of America
ABA Routing No. 026009593
Account No. 0036780223

Payments by Client to Solutions shall be made via wire transfer to the following account:

Calpine Energy Solutions, LLC
JPMorgan Chase Bank, N.A.
ABA Routing No. 021000021
Account No. 771045440

5. **Force Majeure.** If a Party is rendered unable, by an event of Force Majeure, to carry out wholly or in part its obligations under this Agreement and if such Party gives notice and full particulars of such event of Force Majeure to the other Party promptly after the occurrence of the event relied on, then the obligations of the Party affected by such event of Force Majeure, other than the obligation to make payments then due or becoming due hereunder, shall be suspended from the inception and throughout the period of continuance of any such inability so caused, but for no longer period, and the affected Party shall use commercially reasonable efforts to remedy the event of Force Majeure with all reasonable dispatch. The term "Force Majeure" shall mean an event that is beyond the control of the Party affected including but not limited to flood, earthquake, tornado, storm, fire, lightning,

epidemic, war, riots, civil disturbance or disobedience, labor dispute, material shortage, sabotage, terrorist activity, restraint by court order or public authority, and action or non-action by or inability to obtain the necessary authorization or approvals from any governmental agency or authority, which by exercise of due diligence such Party has been unable to avoid or overcome. Force Majeure shall not include economic hardship of either Party.

6. Indemnification.

(a) **Indemnity by Solutions.** SOLUTIONS RELEASES, AND SHALL INDEMNIFY AND HOLD HARMLESS, CLIENT AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, REPRESENTATIVES, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM (COLLECTIVELY, "CLIENT RELATED PARTIES"), FROM AND AGAINST ANY AND ALL THIRD-PARTY SUITS, ACTIONS, LIABILITIES, LEGAL PROCEEDINGS, CLAIMS, DEMANDS, LOSSES, FINES, PENALTIES, COSTS AND EXPENSES OF WHATSOEVER KIND OR CHARACTER, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES (COLLECTIVELY, "LOSSES"), RELATING TO OR ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT FOR ILLNESS, INJURY AND DEATH OF SOLUTIONS' PERSONNEL AND FOR DAMAGE TO AND LOSS OF SOLUTIONS' PROPERTY. THIS PROVISION SHALL BE ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.

(b) **Indemnity by Client.** CLIENT RELEASES, AND SHALL INDEMNIFY AND HOLD HARMLESS, SOLUTIONS AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, REPRESENTATIVES, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM (COLLECTIVELY, "SOLUTIONS RELATED PARTIES"), FROM AND AGAINST THIRD-PARTY LOSSES, DEFINED ABOVE, (A) RELATING TO OR ARISING OUT OF THIS AGREEMENT FOR ILLNESS, INJURY AND DEATH OF CLIENT'S PERSONNEL AND FOR DAMAGE TO AND LOSS OF CLIENT'S PROPERTY, AND (B) RELATING TO OR ARISING DIRECTLY OR INDIRECTLY FROM THE DEVELOPMENT, CONSTRUCTION, CLIENT OWNERSHIP, OPERATION OR MAINTENANCE OF THE RESOURCES. THIS PROVISION SHALL BE ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.

(c) **Scope of Indemnities, Releases and Allocation of Liability.** THE INDEMNITIES, RELEASES AND ALLOCATIONS OF LIABILITY IN THIS AGREEMENT ARE WITHOUT REGARD TO THE CAUSES OF LOSSES, INCLUDING THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY, RELEASED PERSON OR PERSON AWAY FROM WHICH A LIABILITY IS ALLOCATED, WHETHER SUCH NEGLIGENCE IS SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE, OR THE STRICT LIABILITY OF AN INDEMNIFIED PARTY, RELEASED PERSON OR PERSON AWAY FROM WHICH A LIABILITY IS ALLOCATED. THIS PROVISION SHALL BE ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.

7. Limitation of Damages.

(a) EXCEPT TO THE EXTENT ARISING FROM THE PARTIES' RESPECTIVE OBLIGATIONS UNDER SECTIONS 5(a) AND 5(b), NEITHER PARTY NOR ITS

AFFILIATES NOR THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS OR SUBCONTRACTORS, NOR THE PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, REPRESENTATIVES, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM SHALL IN ANY EVENT BE LIABLE TO THE OTHER PARTY OR ITS SUBSIDIARIES OR AFFILIATES OR THE OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, PARTICIPANTS, PARTNERS, MEMBERS, SHAREHOLDERS, PRINCIPALS, DIRECTORS OR TRUSTEES OF ANY OF THEM FOR CLAIMS FOR INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY NATURE, ARISING AT ANY TIME, FROM ANY CAUSE WHATSOEVER, WHETHER ARISING IN TORT (INCLUDING NEGLIGENCE OR GROSS NEGLIGENCE), CONTRACT, WARRANTY, STRICT LIABILITY, BY OPERATION OF LAW OR OTHERWISE, CONNECTED WITH OR RESULTING FROM PERFORMING OR NOT PERFORMING UNDER THIS AGREEMENT. THIS PROVISION SHALL BE ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.

- (b) **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT (WITH THE EXCEPTION OF SECTION 6(a) PERTAINING TO "LOSSES," WHICH SHALL NOT BE LIMITED BY THIS PROVISION), IN NO EVENT SHALL SOLUTIONS' LIABILITY TO CLIENT HEREUNDER EXCEED THE AMOUNT OF THE COMPENSATION PAID TO SOLUTIONS BY CLIENT FOR THE SERVICES PROVIDED HEREUNDER. THIS PROVISION SHALL BE ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.**
8. **Governing Law.** THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING ANY CHOICE OF LAW RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF A DIFFERENT JURISDICTION. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING IN ANY COUNTERCLAIM. VENUE SHALL BE EXCLUSIVELY VESTED IN THE STATE AND FEDERAL COURTS SERVING THE COUNTY OF SAN DIEGO, CALIFORNIA. THIS SECTION 8 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR ANY REASON
9. **Amendment.** This Agreement can be amended or modified only by a written agreement executed by an authorized representative of each Party.
10. **Waiver.** If on any occasion a Party does not insist upon the performance of any term, condition or provision of this Agreement, such forbearance shall not operate or be construed as an acceptance of any variation in any term, condition or provision of this Agreement or relinquishment of any right under this Agreement. No waiver by either Party of any right or of any default by the other Party under this Agreement shall be effective unless the waiver is in writing and signed by the waiving Party, and no waiver shall operate or be construed as a waiver of any other or further right or as a waiver of any future default, whether of like or different character or nature.
11. **Confidential Information.** Each Party shall hold in confidence all information disclosed to it by the other Party or its representatives that pertains to Client's or Solutions' business, as the case may be, and that is not publicly available, including this Agreement, proprietary practices,

technical information, information regarding Client's or Solutions' management policies, economic policies, financial information and other data ("Confidential Information"). For the avoidance of doubt, Solutions considers its scheduling and trading strategies and the pricing information contained in this Agreement to be proprietary and confidential. Confidential Information shall not include (a) information that is publicly available other than as a result of the breach by the receiving party of its obligations under this Section 10, (b) information obtained by a Party from a third party not known to be under an obligation of non-disclosure to Client or Solutions, as the case may be, (c) information that was in the Party's possession or known to the Party prior to disclosure, and (d) information that was developed by a Party without reference to the other Party's Confidential Information. The obligations in this Section 10 shall continue in effect during the term of this Agreement and for two years after any termination or expiration hereof. Notwithstanding the foregoing, each Party may disclose Confidential Information (i) to the extent necessary to perform this Agreement, (ii) to any governmental authority or as otherwise required by law, but only to the extent legally required to do so, and (iii) to its advisors, auditors, legal counsel and insurers.

12. **No Dedication of Facilities**. Neither the Operational Services performed by Solutions under this Agreement nor either Party's actions or inactions under this Agreement shall constitute or be construed as a dedication of the systems or assets, or any portion thereof, of either Party to the public or to the other Party.
13. **Complete Agreement**. This Agreement (including any Addenda) is the Parties' complete and final expression of agreement on the subject matter of this Agreement and supersedes all prior agreements, representations, understandings, negotiations, offers and communications, whether oral or written, regarding the subject matter of this Agreement.
14. **Obligations Several / Relationship**. The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement. The relationship of Solutions and Client hereunder is that of independent contractor and not that of agent, representative, partner or joint venturer. No fiduciary duty or relationship shall exist between the Parties.
15. **No Third Party Beneficiaries**. This Agreement is intended solely for the benefit of the Parties and nothing in this Agreement shall be construed to create any rights in favor of, any duty to or standard of care with reference to, or any liability to any third party, except for the rights of Client Related Parties and Solutions Related Parties who are indemnified and released under Section 5.
16. **Authorized Representatives**. Each Party shall designate in writing one or more persons as its authorized representative(s) to act on its behalf in carrying out the provisions of this Agreement. The Parties shall be bound by the oral and written communications, directions, requests, decisions and other actions taken by their respective authorized representative.
17. **Assignment**. Neither Party may assign this Agreement or any right or obligation under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, (a) Solutions may, with Client's consent, and such consent shall not be unreasonably withheld, conditioned or delayed, assign this Agreement to an affiliate and shall notify Client of any such assignment and (b) Client may, without Solutions' consent, assign this Agreement to any

purchaser of the Resource and shall notify Solutions of any such assignment. Any purported assignment in violation of this Section 16 shall be voidable at the option of the non-assigning Party. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

18. **Notices.** Except as otherwise expressly provided in this Agreement, all notices and other communications to be given or made under this Agreement shall be in writing, shall be addressed as specified below, and shall either be personally delivered or sent by courier, by registered or certified mail, or by facsimile. Initially, the respective Parties' addresses and facsimile numbers are:

If to Solutions: Calpine Energy Solutions, LLC
401 West A Street, Suite 500
San Diego, CA 92101
Attention: Justin Pannu
Facsimile: (619) 684-8350

With a copy to: Calpine Energy Solutions, LLC
401 West A Street, Suite 500
San Diego, CA 92101
Attention: Legal Department
Facsimile: (619) 684-8350

If to Client:

With a copy to: Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601
Attention: William Chen
Email: wchen@lacsdsd.org
Phone: (562) 908-4288 ext 2431

All notices shall be deemed delivered (a) when delivered in person, (b) if received on a Business Day for the receiving Party, when transmitted by facsimile to the receiving Party's facsimile number specified above and, if received on a day that is not a Business Day for the receiving Party, on the first Business Day following the date transmitted by facsimile to the receiving Party's facsimile number specified above, (c) 1 Business Day after being delivered to a courier for overnight delivery, addressed to the receiving Party at the address specified above (or such other address as the receiving Party may have specified by written notice delivered to the delivering Party at its address or facsimile number specified above), or (d) 5 Business Days after being deposited in a United States Postal Service receptacle, postage prepaid, registered or certified, return receipt requested, addressed to the receiving Party at the address specified above (or such other address as such the receiving Party may have specified by written notice delivered to the delivering Party at its address or facsimile number specified above). Any Party may by written notice change the address or facsimile number, or both, to which notices and communications are to be sent.

19. **Severability.** If any provision of this Agreement is held invalid or unenforceable, all other provisions of this Agreement shall not be affected. With respect to a provision held invalid or

unenforceable, the Parties shall amend this Agreement as necessary to effect the Parties' original intent as closely as possible.

- 20. CAISO and FERC Rules.** Client acknowledges that Solutions will be communicating information that Solutions receives from Client to the CAISO either directly or through third parties performing services on Solutions' behalf. Client covenants and agrees with Solutions that all information provided to Solutions by Client, its officers and employees will be true, complete and consistent with Client's operational plans and, to the best of Client's knowledge, in compliance with CAISO and FERC Rules. By giving an operational instruction, Client shall be deemed to make a representation and warranty that the information included in such instruction is accurate and consistent with Client's operational plans and in compliance with CAISO and FERC Rules. Client agrees that it will indemnify and hold harmless Solutions and the Solutions Related Parties with respect to any fines or penalties that may be assessed against Solutions by CAISO or FERC for inaccurate information that Client reported to Solutions or for the failure of Client to comply with CAISO or FERC Rules. In the event that Client does provide accurate information Client agrees that it will indemnify and hold harmless Solutions and the Solutions Related Parties with respect to any fines or penalties in excess of \$50,000.00 total aggregate liability that may be assessed against Solutions by CAISO or FERC during the term of this Agreement for failure(s) to comply with CAISO or FERC Rules that is caused by Solutions' or any of its subcontractor's negligence or willful misconduct in the performance of the Operational Services or its other duties hereunder. Client acknowledges that Solutions may from time to time reasonably ask Client to confirm (i) the accuracy and completeness of certain information; (ii) consistency with Client's operational plans; and (iii) compliance with CAISO and FERC Rules. Solutions may refuse to provide the Services at any time Solutions does not receive that confirmation.
- 21. Counterparts.** This Agreement may be signed in counterparts, each of which will constitute an original and together will constitute one and the same Agreement. The Parties agree that if a copy of this Agreement, including any appendix and/or Addendum, is executed by a Party and transmitted to the other Party by facsimile, the copy received shall be deemed for all legal purposes to be an original executed by the transmitting Party.
- 22. Imaged Documents.** The Parties agree that if a copy of this Agreement, including any appendix and/or Addendum, is executed by a Party and transmitted to the other Party in the form of an Imaged Document, to which a Party has affixed its written or electronic signature, the copy received by the other Party shall be deemed for all legal purposes to be as valid and authentic as an original executed by the transmitting Party, and will be given the same legal effect as a written and signed paper original, and may be introduced as evidence in any proceeding as if such were original business records. Neither Party shall contest the admissibility of such Imaged Documents as evidence in any proceeding, and waive any objection they may have to the use of same. "Imaged Document" means any document generated by the Parties which is scanned and stored in electronic form, including, by way of illustration and not limitation, portable document format or similar type (e.g. jpg, tiff, gif).

[Signature page to follow]

To evidence their acceptance of this Agreement, the Parties have caused their authorized representatives to sign below effective as of the date set forth in the introductory paragraph (Effective Date).

IN WITNESS WHEREOF, the parties have hereto executed this Agreement on the day and year set forth above.

CALPINE ENERGY SOLUTIONS, LLC

COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY

By _____

By _____

Chairperson, Board of Directors

Title _____

ATTEST:

By _____

Secretary to the Board

APPROVED AS TO FORM:
LEWIS, BRISBOIS, BISGAARD & SMITH
LLP

By _____

District Counsel