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ADVICE LETTER 548-E

DISTRIBUTED July 9, 2026

Advice Letter 548-E

APPROVAL

Effective Date: June 11, 2026

BVES INC.

**Notification of Purchase of Renewable
Energy Credits from 3Degrees**

All Employees

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



**Bear Valley Electric Service, Inc.
ELC (Corp ID 913)
Status of Advice Letter 548E
As of July 9, 2026**

Subject: Bear Valley Electric Service, Inc.'s Notification of Purchase of Renewable Energy Credits from 3Degrees

Division Assigned: Energy

Date Filed: 06-11-2026

Date to Calendar: 06-12-2026

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	06-11-2026

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Jenny Chen

(909) 394-3600

RegulatoryAffairs@bvesinc.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Bear Valley Electric Service, Inc. (913-E)

Utility type:

☒ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Jenny Chen

Phone #: (909) 394-3600

E-mail: Jenny.Chen@gswater.com

E-mail Disposition Notice to: RegulatoryAffairs@bvesinc.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 548-E

Tier Designation: Tier 1

Subject of AL: Bear Valley Electric Service, Inc.'s Notification of Purchase of Renewable Energy Credits from 3Degrees

Keywords (choose from CPUC listing): Renewable Energy

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: 6/11/26

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0.00%

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Alicia Menchaca
Title: Rate Analyst, Regulatory Affairs
Utility Name: Bear Valley Electric Service, Inc.
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 630-5555
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com; alicia.menchaca@bvesinc.co

Name: Jenny Chen
Title: Manager, Regulatory Affairs
Utility Name: Bear Valley Electric Service, Inc.
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600
Facsimile (xxx) xxx-xxxx:
Email: regulatoryaffairs@bvesinc.com

Clear Form



Bear Valley Electric Service, Inc.
P.O. Box 9028
San Dimas, CA 91773-9028
A Subsidiary of American States Water Company

June 11, 2026

Advice Letter No. 548-E

(U 913 E)

California Public Utilities Commission

Bear Valley Electric Service, Inc. ("BVES") hereby transmits for filing the following:

SUBJECT: Bear Valley Electric Service, Inc. Notification of Purchase of Renewable Energy Credits from 3Degrees

PURPOSE

BVES submits this Tier 1 Advice Letter to report the purchase of unbundled renewable energy credits ("RECs") from 3Degrees Group, Inc. BVES executed a Renewable Energy Certificate Purchase and Sale Agreement ("Agreement") with 3Degrees Group, Inc. on January 9, 2023, and entered into a subsequent transaction pursuant to the Agreement on June 9, 2026 via Confirmation Letter for Transaction Reference 48086 ("Confirmation Letter"). The Agreement and Confirmation Letter are attached hereto. Under the Agreement and Confirmation Letter, BVES will purchase 12,000 RECs from 3Degrees Group, Inc., as part of its compliance with the California Renewables Portfolio Standard ("RPS") program. Purchase of the RECs from 3Degrees Group, Inc. will help enable BVES to meet its California RPS obligations at a reasonable price. The price of the RECs is competitive in comparison to the prices of other RPS alternatives available to BVES at the time the Agreement and Confirmation Letter were negotiated and executed.

BACKGROUND

On January 9, 2023, BVES executed a Renewable Energy Certificate Purchase and Sale Agreement ("Agreement") with 3Degrees Group, Inc. On June 9, 2026, BVES executed the Confirmation Letter with 3Degrees Group, Inc. Collectively, the Agreement and Confirmation Letter constitute the "REC Agreement". Under the REC Agreement, BVES will buy 12,000 RECs as part of its compliance with the RPS. All of the RECs purchased under the REC Agreement will be generated by an Eligible Renewable Energy Resource certified by the California Energy Commission as RPS-eligible. Furthermore, the RECs provided under the REC Agreement will be tracked in the Western Renewable Energy Generation Information System ("WREGIS"). 12,000 RECs will be delivered to BVES on or before October 1, 2027. Accordingly, the RECs provided under the REC Agreement qualify under the requirements of the California RPS.

RECs Procured Under the REC Agreement are Consistent with BVES's RPS Procurement Plan and Will Help Ensure BVES Meets its RPS Procurement Requirements

BVES submitted its draft 2025 RPS Procurement Plan ("RPS Plan") on June 30, 2025, which was accepted and deemed final by D.25-12-025.¹ As outlined in its RPS Plan:

BVES is currently positioned to meet its RPS procurement requirements for the current compliance period and the bulk of its RPS procurement requirements through 2035. Although BVES currently lacks sufficient supply to meet the entirety of its current compliance period obligations, BVES plans to fully comply with SB 100 and all applicable statutory and Commission RPS requirements, as described more fully throughout this RPS Plan. Not only will BVES satisfy the higher RPS procurement targets mandated by SB 100, BVES is currently complying with and plans to continue complying with the 65 percent long-term procurement requirement.²

BVES' RPS Plan also states:

RECs provided under [existing] agreements will ensure that BVES will meet its RPS procurement obligations for the current compliance period and help meet its RPS procurement obligations in future compliance periods. If needed, BVES will issue additional RFPs and/or enter into bilateral contracts to meet any additional RPS procurement obligations for future compliance periods.³

While not explicitly described in BVES's RPS Plan, the 12,000 RECs from 3Degrees Group, Inc. are generally described as part of the additional RECs necessary to help meet BVES' overall RPS procurement obligations. Additionally, the REC Agreement is consistent with BVES' procurement and portfolio needs. Under the REC Agreement, the unbundled RECs procured will have no effect on BVES' power procurement or resource portfolio needs, as the RECs being procured are unbundled from energy. Given there is no energy delivery, there are no deliverability characteristics that need to be optimized. Instead, to best optimize its portfolio and procurement needs, BVES sought cost-effective RPS-eligible unbundled RECs, which are what is being provided under the REC Agreement. These RECs will minimize costs and maximize value to customers while helping to achieve BVES' RPS procurement goals. BVES' procurement goals are based, in part, on the assessment of its renewable position and procurement need as identified in its RPS Plan and the Renewable Net Short calculation provided as part of that plan. This includes

¹ BVES' final 2025 RPS Procurement Plan is available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M572/K574/572574281.PDF>.

² RPS Plan, pp. 4-5.

³ RPS Plan, p. 13.

the evaluation of BVES' retail sales forecast and BVES' RPS portfolio optimization strategy described in its RPS Plan.

The REC Agreement with 3Degrees Group, Inc. is Reasonable

BVES initially entered into the Agreement with 3Degrees Group, Inc. as a result of BVES' December 7, 2022 Request for Proposals for RPS-Eligible PCC3 RECs. Subsequently, BVES has continued to negotiate with 3Degrees Group, Inc. to purchase additional RECs to help BVES meet its RPS procurement requirements. BVES concluded that the RECs and prices offered by 3Degrees Group, Inc. under the Confirmation Letter were favorable and would cost-effectively assist BVES in meeting its RPS procurement obligations.⁴

If approved, the 2027 rate impact is expected to result in an overall 0.042% net rate increase and an average \$0.000222 per kWh increase.

Given the opportunity to secure additional RECs from 3Degrees Group, Inc. under favorable terms to help meet its RPS procurement obligations, BVES promptly moved forward with the REC Agreement.

SAFETY CONSIDERATIONS

BVES assessed the terms and conditions of the REC Agreement and concluded that it is consistent with the provisions of Public Utilities Code Section 451 related to "the safety, health, comfort, and convenience of its patrons, employees, and the public." Additionally, as the REC Agreement involves only the purchase of unbundled RECs and no associated electricity, there will be no energy delivery that could impact BVES' customers or negatively impact any safety considerations.

PRIOR FILING

On July 3, 2025, BVES filed Advice Letter 520-E to report the purchase of unbundled RECs from 3Degrees Group, Inc. On August 21, 2025, Advice Letter 520-E was approved by the California Public Utilities Commission's Energy Division.

ATTACHMENT

Attachment – Renewable Energy Certificate Purchase and Sale agreement and Confirmation 41903

TIER DESIGNATION

This advice letter is submitted with a Tier 1 designation.

⁴ BVES was able to compare the REC prices offered by 3Degrees Group, Inc. against multiple prior offers from 3Degrees Group, Inc. as a result of the December 7, 2022 Request for Proposals for RPS-Eligible PCC3 RECs as well as against bids it received in response to its February 31, 2022 RFP, which included unbundled REC bids.

EFFECTIVE DATE

BVES respectfully requests this advice letter to become effective June 11, 2026.

NOTICE AND PROTESTS

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC's website at www.cpuc.ca.gov.

A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter.

The utility must respond to a protest within five days.

All protests and responses should be sent to:

California Public Utilities Commission, Energy Division
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

The protest or correspondence should also be sent via U.S. mail and/or electronically, if possible, to BVES at the addresses shown below on the same date it is delivered to the Commission.

Bear Valley Electric Service, Inc.
Regulatory Affairs
E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, please contact Alicia Menchaca at (909) 630-5555.

Correspondence:

Any correspondence regarding this compliance filing should be sent by regular mail or e-mail to the attention of:

Jenny Chen
Regulatory Affairs Manager
Bear Valley Electric Service, Inc.

630 E. Foothill Blvd.
San Dimas, California 91773
Email: RegulatoryAffairs@bvesinc.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Sincerely,

/s/ Alicia Menchaca
Alicia Menchaca
Rate Analyst, Regulatory Affairs
Bear Valley Electric Service, Inc.

cc: Cheryl Cox, Energy Division
Michael Campbell, California Public Advocates Office
Tamera Godfrey, California Public Advocates Office
Mina Botros, California Public Advocates Office
BVES General Order 96-B Service List

ATTACHMENTS

RENEWABLE ENERGY CERTIFICATE PURCHASE
AND SALE AGREEMENT

**RENEWABLE ENERGY CERTIFICATE
PURCHASE AND SALE AGREEMENT**

THIS RENEWABLE ENERGY CERTIFICATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made as of January 9, 2023 (the “Effective Date”) between 3Degrees Group, Inc. (“3Degrees”) with its principal place of business at 235 Montgomery Street, Suite 320, San Francisco, CA 94104 and Bear Valley Electric Service, Inc. (“Counterparty”) with its principal place of business at 42020 Garstin Dr., Big Bear Lake, CA 92315 (each a “Party” and collectively, the “Parties”).

WHEREAS, the Parties wish to buy and sell RECs (as hereinafter defined) on the terms set forth herein;

NOW THEREFORE, in consideration of their mutual covenants herein, the Parties agree as follows:

**ARTICLE 1
DEFINITIONS**

“**Applicable Standard**” means the state or federal RPS or other mandatory or voluntary standard(s) or set of rules specified in the Confirmation Letter, including any amended or successor versions as of the date of execution of the Confirmation Letter, as well as on the date of Delivery of RECs.

“**Applicable Tracking System**” means the Tracking System specified in the Confirmation Letter, and if no Tracking System is specified in the Confirmation Letter but tradable instruments associated with all or part of the RECs to be delivered are issued by a Tracking System, that Tracking System shall be the Applicable Tracking System for the quantity of RECs associated with those tradable instruments.

“**Attestation Form**” means documentation provided from Seller to Buyer transferring title to the RECs, specifying the Facility, Eligible Renewable Resource, REC quantity, Generation Period and other information with respect to the RECs sold herein as well as declarations made by Seller with respect to such RECs to be completed in accordance with and on the form required under the Applicable Standard or as otherwise specified in the Confirmation Letter.

“**Business Day**” means a day on which Federal Reserve member banks are open for business, beginning at 5:00 a.m. and ending at 5:00 p.m. Pacific Standard Time.

“**Buyer**” is the Party buying RECs.

“**Compliance Instruments**” means any benefits, attributes, instruments, tracking mechanisms, or rights associated with the generation of one (1) MWh of Energy from a source of renewable energy, as that is defined in a RPS, which may be created distinct from Environmental Attributes and transferred in the form of a certificate, credit, allowance or other indicia of ownership in accordance with and for the purposes of recording compliance with a RPS obligation.

“**Confirmation Letter**” means a Confirmation Letter included as Exhibit A, which is used by the Parties to effect a transaction and constitutes part of and is subject to the terms and provisions of this Agreement.

“**Contract Price**” means the amount payable by Buyer to Seller for each REC as agreed upon in the Confirmation Letter.

“**Costs**” means the present value of brokerage fees, commissions, and other similar third party transactions costs and expenses reasonably incurred by the Non-Defaulting Party in terminating or replacing any arrangement pursuant to which it has hedged its obligations relating to a Terminated Transaction; and any

charges, penalties, fines or fees imposed or assessed against the Non-Defaulting Party, or the entity to which the Non-Defaulting Party had resold the RECs, under the Applicable Standard on account of Delivery not occurring on the Delivery Date, as determined by the Non-Defaulting Party in a commercially reasonable manner.

“Delivery Date” means the date or period during which Delivery shall occur, as specified in the Confirmation Letter.

“Eligible Renewable Resources” mean sources of renewable energy that meet all requirements of the Applicable Standard.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

“Environmental Attributes” means those aspects, claims, characteristics and benefits associated with the generation of a quantity of electricity by the Facility, and, in the absence of any withholding of any part thereof by Seller, all of them, including any and all the environmental, power source, and emission characteristics, credits, allowances, emissions reductions, offsets, and benefits, howsoever entitled, attributable to the generation of electricity from the Facility and its displacement of generation from non-renewable energy resources, and includes but is not limited to any avoided emission of pollutants to the air, soil or water such as carbon monoxide (CO) and other pollutants; any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere, but do not include (i) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating and/or air quality permits, unless those credits are required for the REC to comply with the Applicable Standard, (ii) production tax credits and investment tax credits associated with the Facility, (iii) any energy, capacity, reliability or other power attributes from the Facility, (iv) any liabilities, including adverse wildlife or environmental impacts, or (v) unless the Parties have expressly agreed otherwise, tradable emission allowances or other entitlements to produce emissions issued by a governmental authority and allocated to the Facility on a basis other than actual generation of avoided emissions associated with the generation of electricity by the Facility. If the Facility is a biomass or biogas facility and Seller receives any tradable Environmental Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Environmental Attributes to ensure that there are zero net emissions associated with the production of electricity from the Facility.

“Facility” or **“Facilities”** means, if specified, the resource(s) designated in a Confirmation Letter from which the Seller will Deliver the RECs, and if not specified in a Confirmation Letter, Facility means the specific resource from which the Seller Delivers the RECs; in either case, the Seller represents the Facility is an Eligible Renewable Resource.

“Federal Government” means the United States Federal Government and all of its authorized agencies and agents.

“Force Majeure” means an event or circumstance which materially adversely affects the ability of a Party (**“Claiming Party”**) to perform its obligations under this Agreement, which event or circumstance was not reasonably anticipated as of the Trade Date and which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which the Claiming Party is unable to overcome or avoid or cause to be avoided by the exercise of reasonable care such as acts of God; fire; flood; earthquake; war; riots; or terrorism that affects one or both Parties. Force Majeure may not be based on (i) the loss or failure

of Buyer's markets; (ii) Buyer's inability economically to use or resell the RECs; (iii) Seller's ability to sell the RECs to another party on terms superior to Seller's terms herein; or (iv) Buyer's ability to purchase similar RECs from another party on terms superior to the Buyer's terms herein. With respect to a Party's obligation to make payments hereunder, Force Majeure will be only an event or act of a governmental authority that on any day disables the banking system through which a Party makes such payments.

"Gains" mean the present value of the economic benefit to a Party, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

"Generation Period" means the calendar year, quarter, or other specified period of time in which the Energy associated with the RECs was generated.

"Interest Rate" is equal to Prime lending rate published under the heading "Money Rates" in the Wall Street Journal on the date of calculation.

"Losses" means the present value of the economic loss to a Party, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

"MWh" means megawatt-hour.

"Renewable Energy Certificate" or **"RECs"** means the Environmental Attributes, Compliance Instruments, and Reporting Rights associated with the generation of one (1) MWh of Energy from one or more Facilities.

"Renewable Portfolio Standard" or **"RPS"** means a local, state, provincial or federal law, rule or regulation that requires a stated amount or minimum proportion or quantity of Energy that is sold or used by specified entities to be generated from sources of renewable energy as defined therein.

"Reporting Rights" means the right to report and register the exclusive ownership of the Environmental Attributes and any Compliance Instruments in compliance with federal, state, or local law, if applicable, and to a federal or state agency or any other party at the Buyer's discretion, and include without limitation those Reporting Rights accruing under Section 1605(b) of the Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program.

"Reporting Period" means a year or other period of time specified by the Applicable Standard toward which eligible RECs may be applied or claimed.

"Seller" is the Party selling RECs.

"Seller's Choice" means Seller may Deliver RECs from any source, provided the RECs derived from said source meet all other requirements pursuant to the Applicable Standard and this Agreement.

"Settlement Amount" means the Losses or Gains, and Costs, which the Non-Defaulting Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 9.2.

"Time Period" means the Generation Period or Reporting Period specified in the Confirmation Letter.

"Tracking System" means the generation information system, generation attribute tracking system or other system that records renewable energy generation meeting certain requirements of the tracking system and issues tradable instruments associated with that generation.

“**Trade Date**” means the date of the Confirmation Letter.

ARTICLE 2 TRANSACTION

2.1. Term.

The term (“**Term**”) of this Agreement commences on the Effective Date and continues until terminated by either Party upon thirty (30) days’ written notice, except that any such termination is not effective until all payments, Deliveries and other obligations of the Parties under this Agreement have been completed.

2.2. Sale and Purchase Obligation.

Seller agrees to provide and Buyer agrees to purchase RECs according to the terms of this Agreement and any Confirmation Letters now or hereafter entered into between the Parties.

2.3. Quantity and Price.

Seller shall sell and Buyer shall purchase RECs in the quantities and at the Contract Prices specified in Confirmation Letters now or hereafter entered into between the Parties.

2.4. Disclosure.

In order to promote the sale of RECs to its customers or potential customers, Buyer is expressly authorized to disclose to third parties Seller’s name, REC details as provided in Attestation Form or by the Applicable Tracking System, and the Attestation Form itself, if provided. Any disclosure will exclude such confidential details as price and payment terms. Confirmation Letters under this Agreement may optionally provide that they are subject to Exhibit B, the 3Degrees Media Rights Annex by stating they confer media rights. Buyer is further authorized to, at Buyer's own expense and with Seller’s reasonable cooperation, monitor, measure, verify, calculate, disclose and claim for the benefit of Buyer any matter respecting the RECs or any aspects thereof pursuant to any present or future protocol, standard, or guidance.

2.5. Delivery.

On the Delivery Date specified in the Confirmation Letter, Seller shall (i) deliver RECs to Buyer in accordance with the delivery requirements of the Applicable Standard, and (ii) in accordance with the operating rules of the Applicable Tracking System, if there is an Applicable Tracking System, and (iii) including an Attestation Form, if one is specified in the Confirmation Letter (“**Deliver**” or “**Delivery**”). Each Party shall bear its own expenses associated with Delivery. Delivery shall consist of only whole RECs. If, at any time after the Delivery Date, Compliance Instruments, which are part of the RECs transacted under a Confirmation Letter, are created and issued to Seller, Seller shall transfer those Compliance Instruments to Buyer within ten (10) Business Days of the date of issuance of such Compliance Instruments.

2.5.1 Firm Delivery Obligation.

If the Confirmation Letter provides that the RECs Delivery obligation is a “**Firm**” obligation, the Seller shall Deliver the RECs on the Delivery Date, without excuse other than Force Majeure. Unless otherwise specified in a Confirmation Letter, the default Delivery obligation thereunder shall be Firm.

2.5.2 Unit Contingent Delivery Obligation.

If the Confirmation Letter provides that the Seller's Delivery obligation is "**Unit Contingent**", then the actual Quantity Delivered from Seller to Buyer may vary from the quantity specified in the Confirmation Letter due to the performance of the Facility.

2.5.3 Project Contingent Delivery Obligation.

If the Confirmation Letter provides that the RECs Delivery obligation is "**Project Contingent**", then Seller's obligation to Deliver the RECs is excused to the extent that the Facility is not able to generate the Environmental Attributes in the Time Period specified in the Confirmation Letter, due to a delay or failure in constructing or obtaining necessary approvals to construct or modify and operate the new or modified Facility, or due to other reason(s) as specified in the Confirmation Letter.

2.6 Confirmation.

Unless otherwise agreed in writing, Seller will send Buyer a Confirmation Letter, which may be in substantially the form attached hereto as Exhibit A, as modified to support the specific RECs. Upon receipt of such Confirmation Letter, the other Party shall promptly return a written acceptance thereof, which may be a signed copy of the Confirmation Letter.

ARTICLE 3 REPRESENTATIONS

3.1. Authority.

Each Party represents and warrants to the other Party that (i) it is a legal entity, duly formed and validly existing and in good standing under the laws of the state of its formation, (ii) it has the full power and authority to execute, deliver, and perform this Agreement and to carry out the transactions contemplated hereby; (iii) its execution and delivery hereof and performance of the transactions contemplated hereunder have been duly authorized by all requisite entity action, and this Agreement has been duly executed and delivered by it and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws generally affecting creditors' rights and by equitable principles; (iv) no authorization, consent, notice to or registration or filing with any governmental authority is required for the execution, delivery and performance by it hereof; (v) none of the execution, delivery and performance by it hereof conflicts with or will result in a breach or violation of any law, contract or instrument to which it is bound; (vi) there are no proceedings by or before any governmental authority, now pending or (to the knowledge of such Party) threatened, that if adversely determined could have a material adverse effect on such Party's ability to perform the Party's obligations under this Agreement; (vii) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and (viii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.

3.2. Forward Contract Merchant.

Each Party represents that it is a "forward contract merchant" within the meaning of Section 101(26) of the Bankruptcy Code, and this Agreement and all transactions hereunder constitute "forward contracts" within the meaning of Section 101(25) of the Bankruptcy Code and that the remedies identified in this Agreement

shall be “contractual rights” as provided for in 11 U.S.C. § 556, as these provisions may be amended from time to time.

3.3. Seller Representations and Warranties.

Seller agrees, represents, and warrants to Buyer that:

- a) All RECs Delivered hereunder shall meet the requirements of the Applicable Standard.
- b) Seller has not sold the RECs to any other person or entity, and that at the time of Delivery all rights, title, and interest in the RECs are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever.
- c) The Energy generated with the RECs was not and will not be separately sold, marketed, or otherwise represented as renewable energy, clean energy, zero-emission energy, or in any similar manner by Seller or any of Seller’s affiliates.
- d) The RECs Delivered hereunder will vest in Buyer, and Buyer will (i) have the exclusive rights to make all claims as to the RECs (ii) have the right to report and register, as applicable, the exclusive ownership of the RECs with any registry, system, agency, authority, or other party, either voluntarily or in compliance with any present or future domestic, international, or foreign law, regulation, registry or program.

ARTICLE 4 BILLING AND PAYMENT

4.1. Billing and Payment Terms.

Buyer shall pay the Contract Price as applicable within fifteen (15) calendar days of the later of (i) the date Buyer receives written, facsimile or electronic notice from Seller to Buyer that RECs have been Delivered, and (ii) the date Buyer receives an invoice from Seller reflecting the total amount due to Seller for the Delivered RECs (“**Payment Date**”). Buyer is not obligated to pay for any RECs that have not been Delivered.

4.2. Late Payments.

Without limiting any other rights provided for herein, all overdue payments shall bear interest from the Payment Date to the date of actual payment at a rate equal to the lesser of (i) 2percent over the Interest Rate or (ii) the maximum rate permitted by applicable law.

4.3. Disputes.

To the extent a Party, in good faith, disputes any part of an invoice, such Party shall pay the undisputed amount invoiced by the Payment Date. If any amount withheld under dispute is finally determined to have been due, such withheld amount shall be forwarded to the Party to whom such amount is owed within five (5) Business Days of such determination, along with interest at the Interest Rate for overdue payments from, and including, the Payment Date, but excluding the date paid.

4.4. Taxes.

Each Party shall pay the taxes lawfully levied upon it by any governmental authority.

4.5. Invoice and Payment Instructions.

Payment shall be made by electronic funds transfer, or by other mutually agreed upon method, in immediately available funds, to the bank account name and account number as specified below, or as otherwise notified in writing to the party making payment by the party to whom payment is to be made.

Invoices to 3Degrees will be sent to:

3Degrees Group, Inc.
235 Montgomery Street, Suite 320
San Francisco, CA 94104
Attn: Accounts Payable
Phone: (415) 794-6485
Email: settlements@3degrees.com

Payments to 3Degrees will be sent to:

3Degrees Group, Inc.
235 Montgomery Street, Suite 320
San Francisco, CA 94104
Attn: Accounts Receivable
Phone: (415) 794-6485
Email: accounting@3degrees.com

Wiring instructions:

Beneficiary Bank Name:
California Bank of Commerce
3595 Mt. Diablo Blvd 2nd Floor
Lafayette, CA 94549

Routing/ABA: 121 144 696

Beneficiary:
3Degrees Group, Inc.
Account # 1043868

Invoices emailed to Bear Valley Electric Service, Inc. will be sent to:

AP@gswater.com

With copy to: sean.matlock@bvesinc.com and kimberly.melillo@bvesinc.com

Payments to Bear Valley Electric Service, Inc. will be sent to:

[Bear Valley Electric Service, Inc.](#)

42020 Garstin Dr.
P.O. Box 1547
Big Bear Lake, CA 92315
Attn: Accounting and Energy Resources
Phone:
Fax:

Wiring instructions:

CoBank Routing Number: **307088754**

Swift Code: NBFCUS55

Bank Name: **CoBank**

Address: 6340 S. Fiddlers Green Circle,

Greenwood Village, CO 80111

Customer Name: **Bear Valley Electric Service, Inc.**

Customer Account #: **00130723**

ARTICLE 5 NOTICES

All notices, requests, demands, offers, and other communications required or permitted to be made under this Agreement will be in writing and will be effective only if delivered: (a) in person, (b) by a nationally recognized delivery service, (c) by United States Mail, or (d) by electronic mail, upon confirmation of receipt. Either Party may change its address or contact person(s) for notices by giving notice of such change consistent with this Article.

If to Counterparty:

Bear Valley Electric Service, Inc.
42020 Garstin Dr.
P.O. Box 1547
Big Bear Lake, CA 92315
Attn: Energy Resource Manager
Phone: 909.522.1913
E-mail: sean.matlock@bvesinc.com

If to 3Degrees:

3Degrees Group, Inc.
235 Montgomery Street, Suite 320
San Francisco, CA 94104
Attn: Contracts Manager
Phone: (415) 308-5214
Email: settlements@3degrees.com

ARTICLE 6

GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement is governed by and construed in accordance with the laws of the State of New York without regard to its conflict of laws principles. EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT OR CONFIRMATION LETTER EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, AS WELL AS ANY RIGHT TO CONSOLIDATE ANY ACTION IN CONNECTION WITH ANY MATTER ARISING HEREUNDER WITH ANY OTHER MATTER IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

ARTICLE 7

ATTORNEY'S FEES

In the event of any suit or other proceeding between any of the Parties hereto with respect to any of the transactions contemplated hereby or subject matter hereof, the prevailing Party shall be entitled to recover reasonable attorneys' fees, costs (including at the trial and appellate levels) and expenses of investigation.

ARTICLE 8

DEFAULTS

A Party is in default ("**Default**") hereunder if that Party (the "**Defaulting Party**") does any of the following (each an "**Event of Default**"):

- (a) breach any of its material obligations herein and not cure within five (5) Business Days of written notice of such breach;
- (b) if any representation or warranty made by it herein proves to have been misleading or false in any material respect when made and such Party does not cure the underlying facts so as to make such representation and warranty correct and not misleading within five (5) Business Days of written notice; or
- (c) if a Party:
 - (i) makes an assignment or any general arrangement for the benefit of its creditors,
 - (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it, or
 - (iii) otherwise becomes bankrupt or insolvent (however evidenced).

ARTICLE 9

REMEDIES UPON DEFAULT

9.1. Liquidated Damages.

Buyer and Seller agree the amounts that are determined to be due from one Party to the other pursuant to this Article in its entirety represents the liquidated damages of each, and no part hereof represents a penalty.

9.2. Remedies.

Upon an Event of Default by a Party, the other Party (the “**Non-Defaulting Party**”) may do any or all of the following: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date (“**Early Termination Date**”) to accelerate all amounts owing between the Parties and to liquidate and terminate all or less than all Confirmation Letters (each referred to as a “**Terminated Transaction**”) between the Parties, (ii) withhold any payments due in respect of this Agreement and any other agreements between the Parties to the extent of its damages pursuant to this Article 9, (iii) suspend performance, and (iv) exercise such remedies as provided herein, including an action for damages (except as limited by Article 9.5). The Non-Defaulting Party will calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable). Without being required to do any of the foregoing or set a Termination Payment (as defined below) for all transactions and Confirmation Letters, if either Party does not Deliver any RECs by the Delivery Date as set forth on a Confirmation Letter, the Buyer may treat that Confirmation Letter as being in Default and a Terminated Transaction, without terminating or cancelling any other Confirmation Letters hereunder, and calculate, as a Non-Defaulting party, the amount due from the Seller for such Terminated Transaction, and in such case Seller shall pay such amount within two days of notice from the Non-Defaulting Party.

9.3. Net Out of Settlement Amounts.

The Non-Defaulting Party will aggregate all Settlement Amounts into a single amount by netting out (a) all amounts that are due to the Defaulting Party for RECs that have been Delivered and not yet paid for, plus, at the option of the Non-Defaulting Party, any or all other amounts due to the Non-Defaulting Party under this Agreement against (b) all Settlement Amount that are due to the Non-Defaulting Party under this Agreement, so that all such amounts will be netted out to a single liquidated amount (the “**Termination Payment**”) payable by the Defaulting Party. The Termination Payment, if any, is due from the Defaulting Party to the Non-Defaulting Party within two (2) Business Days following notice.

9.4. Calculation Disputes.

If the Defaulting Party disputes the Non-Defaulting Party’s calculation of the Settlement Amount or Termination Payment, in whole or in part, the Defaulting Party will, within two (2) Business Days of receipt of the Non-Defaulting Party’s calculation, provide the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

9.5. Limitation on Damages.

The Defaulting Party’s liability will be limited to direct, actual damages only, and such direct, actual damages will be the sole and exclusive remedy hereunder. Except with respect to payment of Costs, in no event will either Party be liable to the other under this Agreement for any consequential, incidental, punitive, exemplary, or indirect damages in tort, contract, or otherwise.

9.6. Exclusive Remedy.

THE REMEDIES SET FORTH IN THIS ARTICLE 9 ARE THE SOLE AND EXCLUSIVE REMEDIES IN THE EVENT OF A DEFAULT OF A PARTY’S OBLIGATIONS TO SELL OR PURCHASE RECS, AND A PARTY’S LIABILITY SHALL BE LIMITED AS SET FORTH IN THIS ARTICLE. ALL

OTHER REMEDIES OR DAMAGES FOR FAILURE TO SELL OR PURCHASE RECS AT LAW ARE HEREBY WAIVED.

9.7. Force Majeure.

If either Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations with respect to this Agreement, then upon such Party's giving notice and full particulars of such Force Majeure as soon as reasonably possible after the occurrence of the cause relied upon, such notice to be confirmed in writing to the other Party, the obligations of the Claiming Party will, to the extent they are affected by such Force Majeure, be suspended during the continuance of said inability, but for no longer period, and the Claiming Party will not be liable to the other Party for, or on account of, any loss, damage, injury or expense resulting from, or arising out of such event of Force Majeure. The Party receiving such notice of Force Majeure will have until the end of five (5) Business Days following such receipt to notify the Claiming Party that it objects to or disputes the existence of an event of Force Majeure.

**ARTICLE 10
STANDARD PROVISIONS**

10.1. Additional Documents.

Each Party, upon the reasonable request of the other Party, will perform any further acts and execute and deliver such documents that may be necessary to carry out the intent and purpose hereof.

10.2. Assignment.

Neither Party shall assign this Agreement, in whole or in part, without the other's written consent, which will not be unreasonably withheld, conditioned or delayed; except that a Party may, without consent (i) pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements; (ii) assign this Agreement to an affiliate if the affiliate's creditworthiness is equal to or higher than that of the assigning Party; or (iii) assign this Agreement to any person or entity succeeding to all or substantially all of the assets of the assigning Party whose creditworthiness is equal to or higher than that of the assigning Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions of this Agreement. Any assignment without the requisite prior consent is void ab initio. All of the rights, benefits, liabilities, and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors and permitted assigns. By consenting to one assignment a Party will not be deemed to have consented to a subsequent assignment.

10.3. Audit and Inspection.

Seller shall maintain adequate records to assist Buyer in meeting any reporting or registration requirements associated with the RECs. Seller shall provide such records upon reasonable notice from Buyer. If any such examination reveals any inaccuracy in any statement, the Parties shall make the necessary adjustments promptly, and amounts discovered to be so due shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid.

10.4 Certification.

At Buyer's request and expense, Seller shall reasonably cooperate with Buyer for the purpose of pursuing Facility, and/or REC certification for compliance with any registration by the Buyer of the Facility and/or RECs in a RPS or equivalent program, including tracking system registration, other than the Applicable

Standard, in any jurisdictions programs, and tracking system in which Buyer may wish to register the Facility and/or RECs. Seller shall provide copies of all information Seller has available or can reasonably obtain as Buyer requires for such registration.

10.5 Confidentiality.

The Parties are expressly authorized to disclose the existence of this Agreement, including the quantity and term of the sale of RECs and Seller's name, REC details as provided in the Attestation Form or by the Applicable Tracking System, and the Attestation Form (if provided). Unless otherwise provided, all other terms of this Agreement, including price and payment terms, are confidential and neither Party may disclose such confidential information to anyone, other than (i) as may be agreed to in writing by the Parties; (ii) to any of such Parties' directors, officers and employees and directors, officers and employees of affiliated companies and representatives thereof or their advisors who need to know such information and agree to treat such information confidentially; (iii) to the extent required to be disclosed by applicable law or legal process; (iv) to the extent required to be disclosed under the Applicable Standard or other mandatory or voluntary standard; or (v) to any actual or potential lender or lenders providing financing to a Party or any of its affiliates, to any actual or potential investor in a Party or any of its affiliates or to any other potential acquirer of any direct or indirect ownership interest in Party or any of its affiliates or to any advisor providing professional advice to Party or any of its affiliates or to any such actual or potential lender, investor or acquirer who needs to know such information and agree to treat such information confidentially; or (vi) Load Serving Entity ("LSE") which agrees to treat such information confidentially and with whom a Party has an agreement to supply RECs for the LSE's voluntary green power program ("VGPP") and the confidential information is disclosed only upon LSE's request for the purposes of the LSE's evaluation of said VGPP. The Parties are entitled to all remedies available at law or in equity, including specific performance, to enforce this provision; however, neither Party will be liable for any damage suffered as a result of the use or disclosure of confidential information made in accordance with the express terms and conditions of this Agreement. This provision will survive for a period of five (5) years following the expiration of this Agreement.

10.6 Counterparts.

This Agreement may be executed by PDF or telefacsimile and in one or more counterparts, all of which taken together will constitute one and the same original instrument.

10.7 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes all previous communications, representations, or contracts, either written or oral, that purport to describe or embody the subject matter hereof. There are no oral understandings, terms, or conditions and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

10.8 Exhibits.

The exhibits attached hereto are incorporated into this Agreement by reference. The exhibits may only be revised upon mutual agreement between the Parties unless otherwise specified in the exhibits. In the event of a conflict between this Agreement and the Confirmation Letter, the terms of the Confirmation Letter shall prevail.

10.9 No Third-Party Beneficiaries.

There are no intended third-party beneficiaries hereof, and this Agreement should not be construed to create or confer any right or interest in or to, or to grant any remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation, or undertaking established herein.

10.10 Severability.

Any part hereof that is or becomes invalid, illegal, or unenforceable may be severed from the remainder hereof, and to the extent possible, the Parties will use reasonable efforts to replace any such part with provisions that preserve their original intent.

10.11 Survival Rights.

This Agreement will continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.12 Waiver, Amendment.

None of the terms or conditions of this Agreement may be amended or waived except in writing and signed by the Parties. The Parties agree that no waiver, amendment, or modification of this Agreement will be established by conduct, custom, or course of dealing. The failure of a Party to require performance of any provision of this Agreement will not limit such Party's right to seek such performance at a later time. Similarly, a Party's waiver of its rights with respect to any Default or any other matter arising in connection with this Agreement will not be considered a waiver with respect to any subsequent Default or matter.

10.13 Indemnification.

Each Party will indemnify, defend and hold harmless the other Party from and against any losses, costs, damages, demands, penalties, claims, or liabilities made by others arising from or out of any event, circumstance, act or incident arising out of the Parties' obligations under this Agreement, except to the extent arising from such Party's own gross negligence or willful misconduct.

10.14 Change in Law.

If any statutes, rules, regulations, permits or authorizations are enacted, amended, granted or revoked which have the effect of changing the transfer and sale procedure set forth in this Agreement so that the implementation of this Agreement becomes impossible or impracticable, or otherwise revokes or eliminates the Applicable Standard, the Parties hereto agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement.

10.15 Recording.

Each Party consents to the recording of its trading, marketing and scheduling representatives' telephone conversations without any further notice. In addition, the Parties agree not to contest the authority of either Party's employees to enter into this Agreement or the Confirmation Letters generated pursuant to this Agreement. Notwithstanding the foregoing, any agreement with respect to the transaction shall be in a writing signed by both Parties.

ARTICLE 11 SIGNATURES

Each Party represents that the person signing this Agreement on its behalf is authorized to enter into this Agreement on behalf of the Party for whom they sign.

IN WITNESS WHEREOF, the Parties understand and agree to the terms and conditions contained herein and agree to be bound thereby.

3Degrees Group, Inc.		Bear Valley Electric Service, Inc.	
Signature	<i>Sallee Murphy</i>	Signature	<i>Sean Matlock</i>
Name	Sallee Murphy	Name	Sean Matlock
Title	Director of Contracts	Title	Energy Resource Manager
Date	January 9, 2023	Date	January 9, 2023

EXHIBIT A

Confirmation Letter #1

This Confirmation Letter describes a transaction between Buyer and Seller for the sale, purchase and Delivery of Renewable Energy Certificates (“**RECs**”) pursuant to and in accordance with the terms of the Renewable Energy Certificate Purchase and Sale Agreement between the Parties dated January 9, 2023 (the “**Agreement**”) and constitutes part of and is subject to the terms and provisions of the Agreement. Provided, that, to the extent there is a conflict between a provision of the Agreement and this Confirmation Letter, the terms of this Confirmation Letter shall control for the purposes of this transaction.

Initially capitalized terms used and not otherwise defined herein are defined in the Agreement.

Basic Commercial Terms:

Trade Date:	January 4, 2023
Transaction Reference:	28434
Seller:	3Degrees Group, Inc.
Buyer:	Bear Valley Electric Service, Inc.
Facility:	Seller's choice
Eligible Renewable Resource Type:	Seller's choice
Geography:	Seller's choice
Period Type [Generation, Reporting]:	Generation
Time Period:	January 01, 2023 - December 31, 2023
Product Quantity (REC):	50,000
Contract Price (\$/REC):	5.95 USD

Product Specific Terms:

Applicable Standard(s):	California Pub. Util. Code Sec 399.11 et seq.
Environmental Attributes retained by Seller, if any:	None
Media Rights Conferred [yes, no]	No

Delivery Terms:

Delivery Date:	On or before December 31, 2023
Delivery Obligation [Firm, Unit Contingent, Project Contingent]:	Firm
Applicable Tracking System:	WREGIS
Buyer Tracking Account Name:	
Attestation Form:	None - Tracking System only
Buyer Delivery Contact [Name, Email]:	Sean Matlock, sean.matlock@bvesinc.com
Seller Delivery Contact [Name, Email]:	Trade Operations, Settlements@3Degrees.com

The Parties agree to the transaction set forth herein and each Party represents that the person signing this Confirmation Letter on its behalf is authorized to execute on behalf of the Party for whom they sign.

3Degrees Group, Inc. <i>Sallee Murphy</i>	Bear Valley Electric Service, Inc. <i>Sean Matlock</i>
Signature	Signature
Name Sallee Murphy	Name Sean Matlock
Title Director of Contracts	Title Energy Resource Manager
Date January 9, 2023	Date January 9, 2023

EXHIBIT B

3DEGREES MEDIA RIGHTS ANNEX

This 3DEGREES MEDIA RIGHTS ANNEX is entered into by and between 3Degrees Group, Inc. (“**3Degrees**”) and Bear Valley Electric Service, Inc. (“**Counterparty**” each a “**Party**” and together the “**Parties**”). In consideration of the continued agreement of the parties to purchase and sell Renewable Energy Certificates and otherwise transact pursuant to the terms of the Renewable Energy Certificate Purchase and Sale Agreement between the Parties dated January 9, 2023 (the “**Agreement**”), the Parties agree as follows:

In the course of business, organizations who purchase renewable energy certificates from 3Degrees utilize photographs of the associated renewable energy facilities for print, web, and other materials. In communicating their renewable energy purchase to their constituents, these organizations help increase the appeal of purchasing renewable energy while building the image and desirability of renewable power in general and Counterparty’s Facility in particular.

To this end, when a Confirmation Letter confers media rights or is subject to this Exhibit B, Counterparty agrees, upon request, to provide relevant, non-confidential information about the Facility and when available, photographs or other such media related to the Facility. If no such media exists for the Facility, Counterparty agrees to allow 3Degrees access to produce such media at 3Degrees’ expense. The information and media provided by Counterparty shall be used by 3Degrees to highlight the positive aspects of the Facility and, all such media may be used by 3Degrees, and shared with and used by 3Degrees’ customers or potential customers who are purchasing or considering purchasing Renewable Energy Certificates from Counterparty’s Facility.

CONFIRMATION LETTER FOR
TRANSACTION #41903

Confirmation Letter for Transaction #41903

This Confirmation Letter describes a transaction between Buyer and Seller for the sale, purchase and Delivery of Renewable Energy Certificates (“**RECs**”) pursuant to and in accordance with the terms of the Renewable Energy Certificate Purchase and Sale Agreement between the Parties dated January 9, 2023 (the “**Agreement**”) and constitutes part of and is subject to the terms and provisions of the Agreement. Provided, that, to the extent there is a conflict between a provision of the Agreement and this Confirmation Letter, the terms of this Confirmation Letter shall control for the purposes of this transaction.

Initially capitalized terms used and not otherwise defined herein are defined in the Agreement.

Basic Commercial Terms:

Trade Date:	June 12, 2025
Transaction Reference:	41903
Seller:	3Degrees Group, Inc.
Buyer:	Bear Valley Electric Service
Facility:	Seller's choice
Eligible Renewable Resource Type:	Seller's choice
Geography:	Seller's choice
Minimum Online Date:	N/A
Period Type [Generation, Reporting]:	Generation
Time Period:	January 01, 2024 - July 01, 2027
Product Quantity (REC):	15,000
Contract Price (\$/REC):	7.95 USD
Total Notional Value:	119,250.00 USD

Product Specific Terms:

Applicable Standard(s):	California Pub. Util. Code Sec 399.11 et seq.
Environmental Attributes retained by Seller, if any:	None
Media Rights Conferred [yes, no]	No

Delivery Terms:

Delivery Date:	On or before July 1, 2027, provided that any RECs must be delivered within 34 months of the date the REC was generated.
Delivery Obligation [Firm, Unit Contingent, Project Contingent]:	Firm
Applicable Tracking System:	WREGIS
Buyer Tracking Account Name:	
Attestation Form:	None - Tracking System only
Buyer Delivery Contact [Name, Email]:	Sean Matlock, sean.matlock@bvesinc.com
Seller Delivery Contact [Name, Email]:	Trade Operations, Settlements@3Degreesinc.com

Special Provisions:

1) STC 6: Eligibility

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

2) STC 17: Applicable Law

Governing Law. This Agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

3) STC REC-1: Transfer of Renewable Energy Credits

Seller and, if applicable, its successors represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

4) STC REC-2: Tracking of RECs in WREGIS

Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

5) STC REC-3: CPUC Approval

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and
- (b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

Signature Page Follows

Transaction Reference: 41903

The Parties agree to the transaction set forth herein and each Party represents that the person signing this Confirmation Letter on its behalf is authorized to execute on behalf of the Party for whom they sign.

3Degrees Group, Inc.	Bear Valley Electric Service
Signature <i>Lauren Dalessio</i>	Signature
Name Lauren Dalessio	Name
Title Commercial Counsel	Title
Date June 25, 2025	Date

BEAR VALLEY ELECTRIC SERVICE, INC.

G.O. 96-B

SERVICE LIST

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AGNES.ROBERTS@BBCCSD.ORG
EMAIL ONLY

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P.O. BOX 10000
BIG BEAR LAKE, CA 92315

CITY ATTORNEY
CITY OF BIG BEAR LAKE
39707 BIG BEAR BLVD.
P.O. BOX 10000
BIG BEAR LAKE, CA 92315

COUNTY CLERK
COUNTY OF SAN BERNARDINO
385 N. ARROWHEAD AVENUE - 2ND FLOOR
SAN BERNARDINO, CA 92415-0140

DEPUTY COUNTY COUNSEL
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PATRICK O'REILLY
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