PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2024

NEW ISSUE - BOOK-ENTRY ONLY **RATING: (SEE "RATING" HEREIN)**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

$[PARX]*

[CCCFA LOGO]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS

[KESTREL LOGO]

$_____	$_____	$_____
SERIES 2024X-1 (GREEN BONDS) (TERM RATE)	**SERIES 2024X-2 (GREEN BONDS) (SOFR INDEX RATE)**	**SERIES 2024X-3 (GREEN BONDS) (SIFMA INDEX RATE)**

DATED: Date of Delivery **DUE: As shown on the inside cover**

California Community Choice Financing Authority ("*CCCFA*") is issuing its Clean Energy Project Revenue Bonds, Series 2024X-1 (Green Bonds) (Term Rate) (the "*Series 2024X-1 Bonds*"), its Clean Energy Project Revenue Bonds, Series 2024X-2 (Green Bonds) (SOFR Index Rate) (the "*Series 2024X-2 Bonds*") and its Clean Energy Project Revenue Bonds, Series 2024X-3 (Green Bonds) (SIFMA Index Rate) (the "*Series 2024X-3 Bonds*" and, together with the Series 2024X-1 Bonds and the Series 2024X-2 Bonds, the "*Bonds*"), under a Trust Indenture dated as of November 1, 2024, between CCCFA and U.S. Bank Trust Company, National Association, as Trustee. The Bonds will be issued in book-entry form through the facilities of The Depository Trust Company ("*DTC*"). Purchases of the Bonds will be made in book-entry form through DTC participants in denominations of $5,000 or any multiple thereof. Payments of principal of, premium, if any, and interest on the Bonds will be made directly to DTC and will subsequently be disbursed to DTC participants and thereafter to Beneficial Owners of the Bonds, all as described herein. Capitalized terms used and not otherwise defined on this cover page have the meanings set forth herein.

From their Initial Issue Date to and including _____ (the "*Initial Interest Rate Period*"), the Series 2024X-1 Bonds will bear interest in a Term Rate Period, the Series 2024X-2 Bonds will bear interest in a SOFR Index Rate Period and the Series 2024X-3 Bonds will bear interest in a SIFMA Index Rate Period, as shown on the inside cover page and described herein. During the Initial Interest Rate Period, interest on the Series 2024X-1 Bonds is payable semiannually on each [March 1* and September 1*], commencing [March 1, 2025] * and interest on the Series 2024X-2 Bonds and the Series 2024X-3 Bonds is payable on the first Business Day of each month, commencing on the first Business Day of [_____ 20__].* The Bonds are subject to optional and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds maturing on [FINAL MATURITY DATE]* are subject to mandatory tender for purchase on [MANDATORY PURCHASE DATE]* (the "*Mandatory Purchase Date*").

Proceeds of the Bonds will be used to prepay the costs of the acquisition of EPS Compliant Energy to be delivered over approximately 30 years under a Prepaid Energy Sales Agreement (the "*Prepaid Energy Sales Agreement*"), between Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("*MSES*" or the "*Energy Supplier*") and CCCFA. "*EPS Compliant Energy*" means three-phase, 60-cycle alternating current electric energy ("*Energy*") that the City of San José, California (the "*Project Participant*") can contract for and purchase in compliance with California's Emissions Performance Standards ("*EPS*"), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant. Pursuant to the Prepaid Energy Sales Agreement, MSES is obligated to deliver specified quantities of EPS Compliant Energy to CCCFA (the "*Prepaid Energy*"), make certain payments for any Prepaid Energy not delivered, remarket quantities of Base Energy in respect of Prepaid Energy not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable. The payment obligations of MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley, a Delaware corporation ("*Morgan Stanley*").

CCCFA will sell all of the Prepaid Energy acquired under the Prepaid Energy Sales Agreement to the Project Participant under a Power Supply Contract (the "*Power Supply Contract*") between CCCFA and the Project Participant. The Prepaid Energy Sales Agreement and the Power Supply Contract are structured based on, and conditioned upon, the assignment by the Project Participant of its rights to the delivery of EPS Compliant Energy under existing and future power purchase agreements to MSES or to Morgan Stanley Capital Group Inc. ("*MSCG*") for ultimate delivery of such EPS Compliant Energy from such agreements to the Project Participant. The Project Participant will enter into a limited assignment agreement relating to a power purchase agreement as of the Date of Delivery.

The Bonds have been designated "Green Bonds." Kestrel has provided an independent external review and opinion that the Bonds conform with the four core components of the International Capital Market Association Green Bond Principles, and therefore qualify for Green Bonds designation. See "DESIGNATION OF BONDS AS GREEN BONDS" and Kestrel's Second Party Opinion attached as APPENDIX F hereto.

THE PAYMENT OF THE BONDS IS NOT GUARANTEED BY THE ENERGY SUPPLIER, MSCG, MORGAN STANLEY, THE UNDERWRITER, THE COMMODITY SWAP COUNTERPARTIES, THE INVESTMENT AGREEMENT PROVIDER, CCCFA, THE PROJECT PARTICIPANT OR THE OTHER MEMBERS OF CCCFA. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE PROJECT PARTICIPANT, THE OTHER MEMBERS OF CCCFA, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE AND NEITHER THE FAITH AND CREDIT OF CCCFA NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYMENTS PURSUANT TO THE INDENTURE OR THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE.

This Official Statement describes the Bonds only during the Initial Interest Rate Period and must not be relied upon if the Bonds are converted to any other interest rate period. The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official

* Preliminary; subject to change.

Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "INVESTMENT CONSIDERATIONS" herein.

The Bonds are offered, when, as and if issued by CCCFA and accepted by the Underwriter, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for CCCFA by its General Counsel; for the Project Participant by the City Attorney of the City of San José and by Anzel Galvan LLP, as Disclosure Counsel; for the Energy Supplier by Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Chapman and Cutler LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2024.

Morgan Stanley

This Official Statement is dated _____, 2024.

$[PARX]*
CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS
(GREEN BONDS)

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS[1]

$_____ SERIES 2024X-1 BONDS
(TERM RATE)

MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]

$_____ ___% Term Series 2024X-1 Bond due _____ 1, 20__[2], Yield: __%, CUSIP[1]

$_____ SERIES 2024X-2 BONDS
(SOFR INDEX RATE)

MATURITY DATE	APPLICABLE FACTOR[3]	INDEX	APPLICABLE SPREAD[4]	CUSIP[1]
[2]		SOFR Index	___ basis points	

$_____ SERIES 2024X-3 BONDS
(SIFMA INDEX RATE)

MATURITY DATE	INDEX	APPLICABLE SPREAD[4]	CUSIP[1]
[2]	SIFMA Index	___ basis points	

[1] CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of bondholders only. None of CCCFA, the Underwriter or their agents or counsel make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to a refunding in whole or in part of the Bonds.

[2] The Bonds of each Series maturing on [FINAL MATURITY DATE]* are required to be tendered for purchase on [MANDATORY PURCHASE DATE]*. See "THE BONDS — Tender" herein.

[3] Applicable Factor means the percentage or factor of the SOFR Index used to calculate the SOFR Index Rate for the Series 2024X-2 Bonds. The Applicable Factor will remain constant for the duration of the initial SOFR Index Rate Period. See "THE BONDS – Interest – *Series 2024X-2 Bonds*" herein.

[4] Applicable Spread means, (i) with respect to the Series 2024X-2 Bonds, the margin added to the product of the Applicable Factor and the SOFR Index to determine the SOFR Index Rate and (ii) with respect to the Series 2024X-3 Bonds, the margin added to the SIFMA Index to determine the SIFMA Index Rate. The Applicable Spread will remain constant for the duration of the initial SOFR Index Rate Period and the initial SIFMA Index Rate Period. See "THE BONDS — Interest — Series 2024X-2 Bonds" and "— Series 2024X-3 Bonds" herein.

* Preliminary; subject to change.

The information contained in this Official Statement has been obtained from CCCFA, the Project Participant, the Energy Supplier, MSCG, Morgan Stanley, the Commodity Swap Counterparties, DTC and other sources believed to be reliable. This Official Statement is submitted in connection with the sale of the securities described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement speaks only as of its date and the information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of any party since the date of this Official Statement.

No broker, dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by CCCFA or the Underwriter. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has or will have passed upon the adequacy of this Official Statement or, except for CCCFA, approved the Bonds for sale.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. No commission or authority has confirmed the accuracy or determined the adequacy of this document.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE BONDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

CCCFA and the Project Participant each maintain websites and certain social media accounts. However, the information presented on such website and on such accounts is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. CCCFA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

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OFFICIAL STATEMENT

$[PARX]*
CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2024X
(GREEN BONDS)

INTRODUCTION

This Official Statement, which includes the cover page and appendices attached hereto, contains information concerning (a) California Community Choice Financing Authority ("*CCCFA*"), (b) CCCFA's Clean Energy Project Revenue Bonds, Series 2024X (Green Bonds) (the "*Bonds*"), being issued in the aggregate principal amount of $[PARX]* and (c) the Clean Energy Project (defined below) being financed with proceeds of the Bonds. Capitalized terms used but not defined in this Official Statement have the meanings given to such terms in APPENDIX B and APPENDIX C.

California Community Choice Financing Authority

California Community Choice Financing Authority is a joint exercise of powers authority whose members consist of the City of San José, a municipal corporation organized and existing under and by virtue of its charter and the Constitution of the State of California (the "*Project Participant*"), Ava Community Energy Authority (formerly East Bay Community Energy Authority), Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy, Pioneer Community Energy, and Silicon Valley Clean Energy Authority (each, a "*Member*" and collectively, the "*Members*"), each a community choice aggregator organized and existing under the laws of the State of California (the "*State*"). CCCFA is organized and existing pursuant to the laws of the State with the power to issue the Bonds and enter into the transaction documents described herein. CCCFA is authorized to exercise the common powers of its Members and to undertake all actions permitted by the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the "*Act*"), including the purchase of the Energy and the sale thereof to the Project Participant, and the entry into of the related agreements described herein (referred to herein as the "*Clean Energy Project*"). See "CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY" and "COMMUNITY CHOICE AGGREGATORS" herein.

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of a 30-year supply of EPS Compliant Energy (as hereinafter defined) (the "*Prepaid Energy*") under a Prepaid Energy Sales Agreement (the "*Prepaid Energy Sales Agreement*") between CCCFA and Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (the "*Energy Supplier*" or "*MSES*"). The Prepaid Energy will be sold by CCCFA to the Project Participant pursuant to a Power Supply Contract (the "*Power Supply Contract*") to be entered into between CCCFA and the Project Participant concurrently with the execution of the Prepaid Energy Sales Agreement. See "– *The Clean Energy Project*" below.

* Preliminary; subject to change.

City of San José and San José Clean Energy

CCCFA and the Project Participant have entered into the Power Supply Contract for the sale and delivery of Prepaid Energy to the Project Participant.

The Project Participant is a municipal corporation duly organized and existing under and by virtue of its charter and the Constitution of the State. It is approximately 180 square miles and located in the Santa Clara Valley at the southern tip of San Francisco Bay. As of January 1, 2024, the Project Participant's estimated population totaled approximately 970,000, making it the third most populous city in the State and the thirteenth most populous in the United States.

The Project Participant is a "community choice aggregator" ("*CCA*") as defined in Section 331.1 of the Public Utilities Code of the State, as amended (the "*Public Utilities Code*"). Through its community choice aggregation program, San José Clean Energy ("*SJCE*"), the Project Participant sells energy to retail customers located in the jurisdictional boundaries of the Project Participant. As of June 30, 2024, SJCE provides energy to more than 350,000 residential and non-residential SJCE accounts.

SJCE is administered by the Project Participant's Energy Department and its financial activities are recorded in the SJCE enterprise fund of the Project Participant. For the fiscal year ending June 30, 2024, SJCE sold approximately 3,600 GWh to its retail customers, representing approximately $521 million of revenue and approximately $79 million of operating income (after giving effect to the deferral of the recognition of $50 million in revenue for rate stabilization in future years). As of June 30, 2024, SJCE has approximately $221 million in unrestricted cash and short-term investments, and $50 million in cash set aside for future rate stabilization. See APPENDIX A for certain operating and financial information regarding the Project Participant and SJCE.

The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from the operations of SJCE. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT." See also "COMMUNITY CHOICE AGGREGATORS" for general information regarding community choice aggregators in the State.

The Bonds

The Bonds will be issued in three separate series consisting of the following:

(a) $_____ Clean Energy Project Revenue Bonds, Series 2024X-1 (Green Bonds) (Term Rate) (the "*Series 2024X-1 Bonds*"),

(b) $_____ Clean Energy Project Revenue Bonds, Series 2024X-2 (Green Bonds) (SOFR Index Rate) (the "*Series 2024X-2 Bonds*"), and

(c) $_____ Clean Energy Project Revenue Bonds, Series 2024X-3 (Green Bonds) (SIFMA Index Rate) (the "*Series 2024X-3 Bonds*").

The Series 2024X-2 Bonds and the Series 2024X-3 Bonds are sometimes referred to herein as the "*Index Rate Bonds.*"

From the date the Bonds are issued (the "*Initial Issue Date*") to and including [LAST DAY OF INITIAL INTEREST RATE PERIOD][*] (the "*Initial Interest Rate Period*"):

(a) the Series 2024X-1 Bonds will bear interest at a fixed rate in a Term Rate Period, with interest payable semiannually on each [March 1[*] and September 1][*], commencing [March 1, 2025],[*]

(b) the Series 2024X-2 Bonds will bear interest at the SOFR Index Rate in a SOFR Index Rate Period, with interest payable on the first Business Day of each month, commencing on the first Business Day of [_____ 20__],[*] and

(c) the Series 2024X-3 Bonds will bear interest at the SIFMA Index Rate in a SIFMA Index Rate Period, with interest payable on the first Business Day of each month, commencing on the first Business Day of [_____ 20__],[*]

all as shown on the inside cover page and as described herein. See "THE BONDS."

The Bonds are subject to optional redemption and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds maturing on [FINAL MATURITY DATE][*] (the "*Final Maturity Date*") are required to be tendered for purchase on [MANDATORY PURCHASE DATE][*] (the "*Mandatory Purchase Date*"), which is the day following the end of the Initial Interest Rate Period. The Purchase Price of Bonds on the Mandatory Purchase Date is equal to the principal amount thereof and is payable in immediately available funds.

The Bonds are also subject to mandatory redemption on the Mandatory Purchase Date in the case of a Failed Remarketing with respect to the Bonds. Under the Indenture, a "Failed Remarketing" will occur if (a) there is a failure on the Mandatory Purchase Date to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment (as hereinafter defined) to the Assignment Payment Fund) or (b) either (i) on the last day of the Initial Reset Period, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such Bonds, or (ii) the conditions described in (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon, New York City time, on the fifth Business Day preceding the Mandatory Purchase Date. A Failed Remarketing will result in early termination of the Prepaid Energy Sales Agreement. See "THE BONDS — *Redemption*" and "— *Tender — Mandatory Tender*."

If the Prepaid Energy Sales Agreement is terminated in whole or in part, MSES will be required to pay a scheduled termination payment (the "*Termination Payment*") to CCCFA. See "– The Prepaid Energy Sales Agreement" below.

The Bonds have been designated "Green Bonds." See "DESIGNATION OF BONDS AS GREEN BONDS" and Kestrel's Second Party Opinion attached as APPENDIX F hereto.

[*] Preliminary; subject to change.

Security for the Bonds

The Bonds are issued pursuant to the authority contained in the Act and are issued and secured under a Trust Indenture, dated as of November 1, 2024 (the "*Indenture*"), between CCCFA and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*"). The Bonds are special and limited obligations of CCCFA, are payable solely from and secured solely by the Trust Estate as and to the extent provided in the Indenture. The Trust Estate includes Revenues (as such terms are hereinafter defined). Revenues generally consist of revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project. Revenues include the revenues received by CCCFA from the sale of Prepaid Energy under the Power Supply Contract, Commodity Swap Receipts received under the CCCFA Commodity Swaps (as hereinafter defined), and interest earnings on certain of the Funds and Accounts established by the Indenture. The Trust Estate also includes any Termination Payment or the right to receive such Termination Payment. See "SECURITY FOR THE BONDS — *The Indenture*" and "— *Flow of Funds.*"

The scheduled amount of the Termination Payment, together with the amounts required to be on deposit in certain funds and accounts held by the Trustee under the Indenture, has been calculated to provide a sum at least sufficient to pay the Purchase Price or the Redemption Price of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider (as hereinafter defined) pay and perform their respective contractual obligations when due, or in the event of nonpayment by the Energy Supplier, payment by Morgan Stanley under the Morgan Stanley Guarantees (*as hereinafter defined). A payment shortfall from any one of these entities could result in a payment shortfall to Bondholders. Any failure to pay the Purchase Price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture. See* "*INVESTMENT CONSIDERATIONS.*"

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE PROJECT PARTICIPANT OR THE OTHER MEMBERS OF CCCFA, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE. CCCFA HAS NO TAXING POWER. SEE "SECURITY FOR THE BONDS."

The Clean Energy Project

The Clean Energy Project is structured to assist the Project Participant to procure, at a discount to existing fixed contract prices or to market prices, a long-term supply of three-phase, 60-cycle alternating current electric energy ("*Energy*") that the Project Participant can contract for and purchase in compliance with California's Emissions Performance Standards ("*EPS*"), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant ("*EPS Compliant Energy*"). To do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to MSES (or, if Morgan Stanley Capital Group Inc. ("*MSCG*") is not the seller under the applicable power purchase agreements (*"PPAs"*), to MSCG for redelivery to MSES), a portion of the Project Participant's rights and obligations (the "*Assigned Rights and Obligations*") to receive certain quantities ("*Assigned Quantities*") of EPS Compliant Energy ("*Assigned Energy*"), which may include renewable energy credits ("*RECs*"), capacity, or other related products (collectively, "*Assigned Products*") under existing and future PPAs.

Concurrent with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant expects to enter into a limited assignment agreement with MSCG (the "*Initial Assignment Agreement*") relating to a power purchase agreement with Brookfield Renewable Trading and Marketing, L.P., a Delaware limited partnership, for delivery of EPS Compliant Energy (the "*Initially Assigned PPA*" and together with any future power purchase contracts assigned by the Project Participant, the "*Assigned PPAs*"). Under the Initial Assignment Agreement, the Project Participant will assign the Assigned Rights and Obligations (the "*Initial Assigned Rights and Obligations*") to MSCG beginning [_____ 1, 20__] and ending [_____ 1, 20__]. MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier's obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under the Power Supply Contract.

The total quantity of Prepaid Energy expected to be delivered by the Energy Supplier during the initial Delivery Period under the Power Supply Contract is an estimated [___] megawatt hour ("MWh").

See "THE CLEAN ENERGY PROJECT."

The Prepaid Energy Sales Agreement

General. Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of Prepaid Energy to CCCFA each Contract Year (the "*Prepaid Quantities*") . To the extent the Assigned Quantities delivered under the Initially Assigned PPA or any future Assigned PPA for any month is less than the Monthly Projected Quantity for such month, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Average Price minus any applicable Provisional Payment Fee for the relevant Hourly intervals during any EPS Energy Period (any such payment, a "*Provisional Payment*"). Other than the Energy Supplier's Provisional Payment obligation, neither CCCFA nor the Energy Supplier will have any liability or other obligation to one another for any failure to schedule, receive or deliver Assigned Energy. To the extent that EPS Compliant Energy is not available for delivery pursuant to the Prepaid Energy Sales Agreement, MSES's obligation to deliver the Assigned Products will be replaced with an obligation to deliver firm (LD) energy ("*Base Energy*"), and the Energy Supplier is obligated to remarket Base Energy under the Prepaid Energy Sales Agreement and remit the proceeds thereof to CCCFA. The Energy Supplier is also obligated to make payments to CCCFA for Base Energy not delivered or remarketed under the Prepaid Energy Sales Agreement, including for *Force Majeure* events. See "THE PREPAID ENERGY SALES AGREEMENT."

Replacement of Initially Assigned PPA. In the event of any expiration, termination or anticipated termination of the Initial Assigned Rights and Obligations, the Project Participant is required to use Commercially Reasonable Efforts to assign replacement Assigned Rights and Obligations to MSES (or, if MSCG is not the seller under the applicable PPA, to MSCG for redelivery to MSES) for delivery of Assigned Energy equal to the Prepaid Quantities ("*Replacement Assigned Rights and Obligations*"). **Assigned Rights and Obligations are expected to be in place for the entirety of the Initial Reset Period, and Base Energy is not expected to be delivered during the Initial Reset Period.** See "THE CLEAN ENERGY PROJECT — *Assignment of Power Purchase Agreements by the Project Participant*."

Provisional Payments and Energy Remarketing. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier

will be obligated to pay the Provisional Payment to CCCFA. To the extent that the Energy Supplier makes a Provisional Payment to CCCFA and the Annual Quantity is not delivered in full within the applicable Contract Year, such Provisional Payment will be deemed a remarketing and treated as a purchase by the Energy Supplier for its own account and will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy and MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or other Municipal Utilities. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*."

In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into new limited assignment agreement(s) relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. Subject to certain conditions, MSES will be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable Day-Ahead Market Price minus remarketing fees, and the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy. See "THE POWER SUPPLY CONTRACT – *Assignment of Power Purchase Agreements*." Otherwise, to the extent that the Project Participant has not exercised Commercially Reasonable Efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under the Power Supply Contract, MSES is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy to Municipal Utilities for a Qualifying Use at a net price not less than the Day-Ahead Market Price. See "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*."

Early Termination. The Prepaid Energy Sales Agreement includes certain events of default applicable to CCCFA and the Energy Supplier. It also includes certain non-default termination events, the occurrence of which results in either an option for a party to terminate, or automatic termination of the Prepaid Energy Sales Agreement (a "*Termination Event*"). The events pursuant to which the Prepaid Energy Sales Agreement will terminate automatically include the occurrence of a Failed Remarketing. Upon the early termination of the Prepaid Energy Sales Agreement as a result of a Termination Event, the obligation of the Energy Supplier and CCCFA to deliver and take Energy will terminate, and the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. The amount of the Termination Payment declines over time as MSES performs its Energy delivery obligations under the Prepaid Energy Sales Agreement. A schedule of the monthly Termination Payment during the initial Reset Period under the Prepaid Energy Sales Agreement is attached as APPENDIX I.

The payment of the Termination Payment by MSES is guaranteed by Morgan Stanley. See "– *Morgan Stanley Guarantees*" below.

Any termination of the Prepaid Energy Sales Agreement will result in the extraordinary mandatory redemption of the Bonds. In such event, the Series 2024X-1 Bonds are to be redeemed at their Amortized Value and the Series 2024X-2 Bonds and the Series 2024X-3 Bonds are to be redeemed at 100% of their principal amount (in each case plus accrued interest to the redemption date), regardless of reinvestment rates at the time. See "THE BONDS — *Redemption — Extraordinary Mandatory Redemption.*"

The Receivables Purchase Provisions

The Prepaid Energy Sales Agreement contains provisions (the "*Receivables Purchase Provisions*") designed to mitigate the risk of non-payment by the Project Participant under the Power Supply Contract. Upon a payment default by the Project Participant, the Receivables Purchase Provisions require CCCFA to put, and require MSES, as Receivables Purchaser, to purchase the amount owed by the defaulting Project Participant (the "*Put Receivables*") with a face value up to the amount due from the Project Participant for any two consecutive months. Amounts received by the Trustee from the sale of Put Receivables will be deposited into the Revenue Fund and applied in accordance with the priorities established under the Indenture. See "SECURITY FOR THE BONDS — *Flow of Funds*" and "THE PREPAID ENERGY SALES AGREEMENT — *Receivables Purchase Provisions*."

The Power Supply Contract

The Power Supply Contract provides for the sale to the Project Participant of the Prepaid Energy to be delivered to CCCFA over the term of the Prepaid Energy Sales Agreement. The Prepaid Energy will be comprised of the Assigned Quantities under Assigned PPAs and, to the extent such Assigned Quantities are less than the Prepaid Quantities for any measurement period specified in the Power Supply Contract and MSES is otherwise unable to deliver make-up quantities of EPS Compliant Energy, Base Energy. Under the Power Supply Contract, CCCFA has agreed to deliver, and the Project Participant has agreed to purchase, such Assigned Quantities and to cause the remarketing of any Base Energy during the Delivery Period. Base Energy is required to be remarketed under the Prepaid Energy Sales Agreement, subject to the requirements set forth therein. In the event that the Energy Supplier is unable to remarket any such Base Energy, the Energy Supplier has agreed to purchase such Base Energy for its own account.

The payments required to be made under the Power Supply Contract, together with any net amounts received by CCCFA under the CCCFA Commodity Swaps and Interest Rate Swap described below, constitute the primary and expected source of the Revenues pledged to the payment of the Bonds. The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from the operations of SJCE. Under the Power Supply Contract, the Project Participant makes payments directly to the Trustee for deposit into the Revenue Fund. See "THE POWER SUPPLY CONTRACT."

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO CUSTOMERS OF SJCE. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

Re-Pricing Agreement

On the initial issue date of the Bonds, CCCFA and the Energy Supplier will enter into a Re-Pricing Agreement (the "*Re-Pricing Agreement*"), which provides for (a) the determination of Energy Delivery Periods subsequent to the initial Delivery Period to correspond to the related Interest Rate Periods on the

Bonds ("*Reset Periods*") and (b) the determination of the amount of the discount (in US Dollars per MWh) to the Index Price that will be available for such Reset Period (the "*Available Discount*") for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

The period beginning on the first day [_____] 1, 2024 and ending on the last day of [_____] 20[__][*] is hereinafter referred to as the "*Initial Reset Period*." The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period. See "The RE-PRICING AGREEMENT."

Interest Rate Swap

With respect to any Index Rate Bonds that are issued, CCCFA will enter into an interest rate swap agreement (the "*Interest Rate Swap*") with MSES, as Interest Rate Swap Counterparty, in order to match its payment obligations on the Index Rate Bonds with the expected Revenues of the Clean Energy Project. Under the Interest Rate Swap, CCCFA will pay amounts corresponding to the principal amount of the Index Rate Bonds at a fixed interest rate and will receive from MSES amounts corresponding to the principal amount of the Index Rate Bonds at a floating rate equal to the interest rates on the Index Rate Bonds. The term of the Interest Rate Swap will extend for the term of the Initial Interest Rate Period. See "THE INTEREST RATE SWAP."

Commodity Swaps

CCCFA Commodity Swaps. CCCFA has entered into the CCCFA Commodity Swaps under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the monthly notional quantities specified in the CCCFA Commodity Swaps.

MSES Commodity Swaps. MSES has entered into the MSES Commodity Swaps (and together with the CCCFA Commodity Swaps, the "*Commodity Swaps*") with the same Commodity Swap Counterparties under which MSES pays a fixed price and the Commodity Swap Counterparties pays a floating price. The notional energy quantities under the MSES Commodity Swaps match those under the CCCFA Commodity Swaps and, accordingly, those under the Prepaid Energy Sales Agreement.

Term. The Commodity Swaps extend for the term of the delivery period under the Prepaid Energy Sales Agreement but are subject to early termination upon the occurrence of certain events. Termination of either of the Commodity Swaps without replacement by CCCFA and MSES will give rise to early termination rights under, and in some cases result in automatic termination of, the Prepaid Energy Sales Agreement, which would result in the extraordinary mandatory redemption of the Bonds pursuant to the Indenture. For a description of certain provisions of the Commodity Swaps, see "THE COMMODITY SWAPS."

Commodity Swap Counterparties. The commodity swap counterparties are Natixis, a bank and joint stock company with a Board of Directors duly organized and existing under the laws of France ("*Natixis*") and Royal Bank of Canada, a Schedule I bank under the Bank Act (Canada) ("*RBC*" and together

[*] Preliminary; subject to change.

with Natixis, the "*Commodity Swap Counterparties*"). For information regarding the Commodity Swap Counterparties, see "THE COMMODITY SWAP COUNTERPARTIES."

Custodial Agreements. CCCFA will enter into separate Custodial Agreements (the "*CCCFA Custodial Agreements*") with the Commodity Swap Counterparties and U.S. Bank Trust Company, National Association, as the Trustee and as custodian (in such capacity, the "*Custodian*"), to administer payments under the CCCFA Commodity Swaps. MSES will enter into separate Custodial Agreements (the "*MSES Custodial Agreements,*" and together with the CCCFA Custodial Agreements, the "*Custodial Agreements*"), with the Commodity Swap Counterparties, the Trustee and the Custodian, as custodian, to administer payments under MSES Commodity Swaps.

The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of the Commodity Swap Counterparties to make payments to CCCFA under the CCCFA Commodity Swaps and mitigate risks to MSES resulting from a failure of the Commodity Swap Counterparties to make payments to MSES under the MSES Commodity Swaps. See "THE COMMODITY SWAPS — Custodial Agreements."

Morgan Stanley Guarantees

The payment obligations of MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley under a guarantee agreement between Morgan Stanley and CCCFA (the "*Morgan Stanley PESA Guarantee*"). See "THE PREPAID ENERGY SALES AGREEMENT — *Morgan Stanley PESA Guarantee*" and "THE INTEREST RATE SWAP — *Morgan Stanley Guarantee*." The payment obligations of MSES under the MSES Commodity Swaps are unconditionally guaranteed under separate guarantee agreements between Morgan Stanley and the respective Swap Counterparties (the "*Morgan Stanley Commodity Swap Guarantees*"). See "THE COMMODITY SWAPS — *The MSES Commodity Swap*." The Morgan Stanley PESA Guarantee and the Morgan Stanley Commodity Swap Guarantees are referred to collectively herein as the "*Morgan Stanley Guarantees.*"

MSES, MSCG and Morgan Stanley

MSES is an indirect, wholly-owned subsidiary of Morgan Stanley. The Federal Energy Regulatory Commission (the "*FERC*") has granted MSES market-based rate authorization for wholesale sales of electric energy, capacity and ancillary services at market-based rates. MSES is not registered with the Commodity Futures Trading Commission (the "*CFTC*") in any capacity, does not engage in swap dealing activities, and does not provide advisory or structuring services relating to swaps.

MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC.

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley conducts its business from its headquarters in and around New York City, its

regional offices and branches throughout the United States, and its principal offices in London, Tokyo, Hong Kong and other world financial centers.

See "THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY."

Certain Relationships

MSES and MSCG are indirect, wholly-owned subsidiaries of Morgan Stanley. The payment obligations of MSES under the Prepaid Energy Sales Agreement, the MSES Commodity Swaps and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley.

Morgan Stanley & Co. LLC ("*MS&Co.*") is serving as the Underwriter of the Bonds. MS&Co. is a Delaware corporation (incorporated in 1969) and is a wholly-owned subsidiary of Morgan Stanley.

The relationships described above could create one or more conflicts of interest or the appearance of such conflicts.

This Official Statement includes information regarding and descriptions of CCCFA, the Clean Energy Project, MSES, MSCG, Morgan Stanley, the Commodity Swap Counterparties, the Project Participant and the Bonds, and summaries of certain provisions of the Indenture, the Power Supply Contract, the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the Commodity Swaps, the Re-Pricing Agreement, the Debt Service Account Investment Agreement, the Interest Rate Swap, the Assignment Letter Agreement and the Custodial Agreements referred to herein. Such descriptions and summaries do not purport to be complete or definitive, and such summaries are qualified by reference to such documents. Certain of these documents are available to prospective investors during the initial offering period of the Bonds and thereafter to Bondholders, in each case upon request to CCCFA. Descriptions of the Indenture, the Bonds, the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the Power Supply Contract, the Commodity Swaps, the Re-Pricing Agreement, the Debt Service Account Investment Agreement, the Interest Rate Swap, the Assignment Letter Agreement and the Custodial Agreements, and are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds are converted to another Interest Rate Period.

THE CLEAN ENERGY PROJECT

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of Prepaid Energy under the Prepaid Energy Sales Agreement, and the sale thereof to the Project Participant pursuant to the Power Supply Contract.

Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver Prepaid Quantities, make certain payments for any Prepaid Quantities not delivered, remarket Prepaid Quantities not taken by the Project Participant and make a Termination Payment upon any early termination

of the Prepaid Energy Sales Agreement in whole or in part. For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see "THE PREPAID ENERGY SALES AGREEMENT."

During the Delivery Period, the Project Participant will sell the Prepaid Energy it purchases from CCCFA to retail customers located in the service area of SJCE. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT." See APPENDIX A for certain information with respect to the Project Participant and SJCE.

Assignment of Power Purchase Agreements by the Project Participant

California's EPS regulations, codified as Senate Bill 1368 (2006) ("*SB 1368*") prevents all California utilities, both privately and publicly owned, from signing long-term contracts from a specified source with greenhouse gas emissions greater per unit of power than the emissions of greenhouse gases for combined-cycle natural gas baseload generation or from an unspecified source. For baseload generation procured under contracts, a long-term commitment is a contract of five years or longer, and the Project Participant has adopted long-term plans for the procurement of EPS Compliant Energy.

Right to Assign Existing and Future Power Purchase Agreements. The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at a discount to existing fixed contract prices or to market Energy prices. To do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to MSES (or, if MSCG is not the seller under the applicable PPA, to MSCG for redelivery to MSES) Assigned Rights and Obligations to receive Assigned Quantities of Assigned Energy or other Assigned Products under existing and future PPAs. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under the Power Supply Contract.

As previously described, concurrent with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant expects to enter into the Initial Assignment Agreement relating to the Initially Assigned PPA. Under the Initial Assignment Agreement, the Project Participant will assign the Initial Assigned Rights and Obligations to MSCG for redelivery of EPS Compliant Energy to the Energy Supplier beginning [_____ 1, 20__] and ending [_____ 1, 20__].

In the event of any expiration, termination or anticipated termination of Assigned Rights and Obligations under the Assigned PPAs, the Project Participant is obligated to exercise Commercially Reasonable Efforts to assign Replacement Assigned Rights and Obligations to MSES (or, if MSCG is not the seller under the applicable PPA, to MSCG for redelivery to MSES) for delivery of EPS Compliant Energy to the Energy Supplier. The Project Participant has or expects to have additional power purchase agreements pursuant to which it purchases or expects to purchase EPS Compliant Energy and wherein its rights and obligations thereunder could be assigned to MSES or MSCG, as applicable.

In the event of a termination of the Prepaid Energy Sales Agreement, the rights, title and interest under the Assigned PPAs will revert back to the Project Participant, who may continue to receive the EPS Compliant Energy delivered under such agreements at the price payable under the applicable Assigned PPA. In the event of a termination of an Assignment Agreement and the reversion of the related Assigned Rights and Obligations under an Assigned PPA to the Project Participant, no termination payment other than payment for delivered Assigned Products will be required to be made by CCCFA, the Energy Supplier or MSCG.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the Power Supply Contract, the Debt Service Account Investment Agreement, the Commodity Swaps, the Interest Rate Swap, the Indenture, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, Morgan Stanley, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the payments due under the Interest Rate Swap and the CCCFA Commodity Swaps. These arrangements include:

- The Energy Supplier is required to deliver Prepaid Energy under the Prepaid Energy Sales Agreement to CCCFA such that CCCFA can meet its obligations to the Project Participant under the Power Supply Contract. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under the Assigned PPAs, the Energy Supplier will be required to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the applicable index price. In the event the Energy Supplier fails to deliver Base Energy for any reason, including *force majeure* events, it is required to pay certain specified amounts to CCCFA.

- The Project Participant has agreed to pay the Contract Price for the Assigned Quantities actually delivered with respect to each month pursuant to the Power Supply Contract. In the event the Project Participant fails to pay when due any amounts owed under the Power Supply Contract, CCCFA has covenanted in the Indenture to exercise its right under the Power Supply Contract to suspend further deliveries of Prepaid Energy to the Project Participant and to give notice to the Energy Supplier to remarket such Prepaid Energy.

- In the event the Project Participant fails to pay when due any amounts owed under the Power Supply Contract, the Trustee is obligated to sell and MSES is obligated to purchase Put Receivables.

- In the event of a suspension of Prepaid Energy deliveries to the Project Participant, the Energy Supplier will remarket Base Energy pursuant to the Prepaid Energy Sales Agreement. The Prepaid Energy Sales Agreement requires specified payments for all Base Energy remarketed or purchased, less certain applicable fees.

- If a Commodity Swap Counterparty does not make a required payment under its CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian under the terms of the applicable MSES Custodial Agreement will pay the amount that the Energy Supplier paid under the corresponding MSES Commodity Swap (or in the event of termination of such MSES Commodity Swap, the amount that the Energy Supplier paid into the applicable custodial account as if such MSES Commodity Swap were still in effect), which amount is held in custody, to the Trustee for deposit in the Revenue Fund pursuant to the Indenture, and such payment will be treated as a Commodity Swap Receipt.

- If a Termination Event occurs under the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay the scheduled Termination Payment to CCCFA.

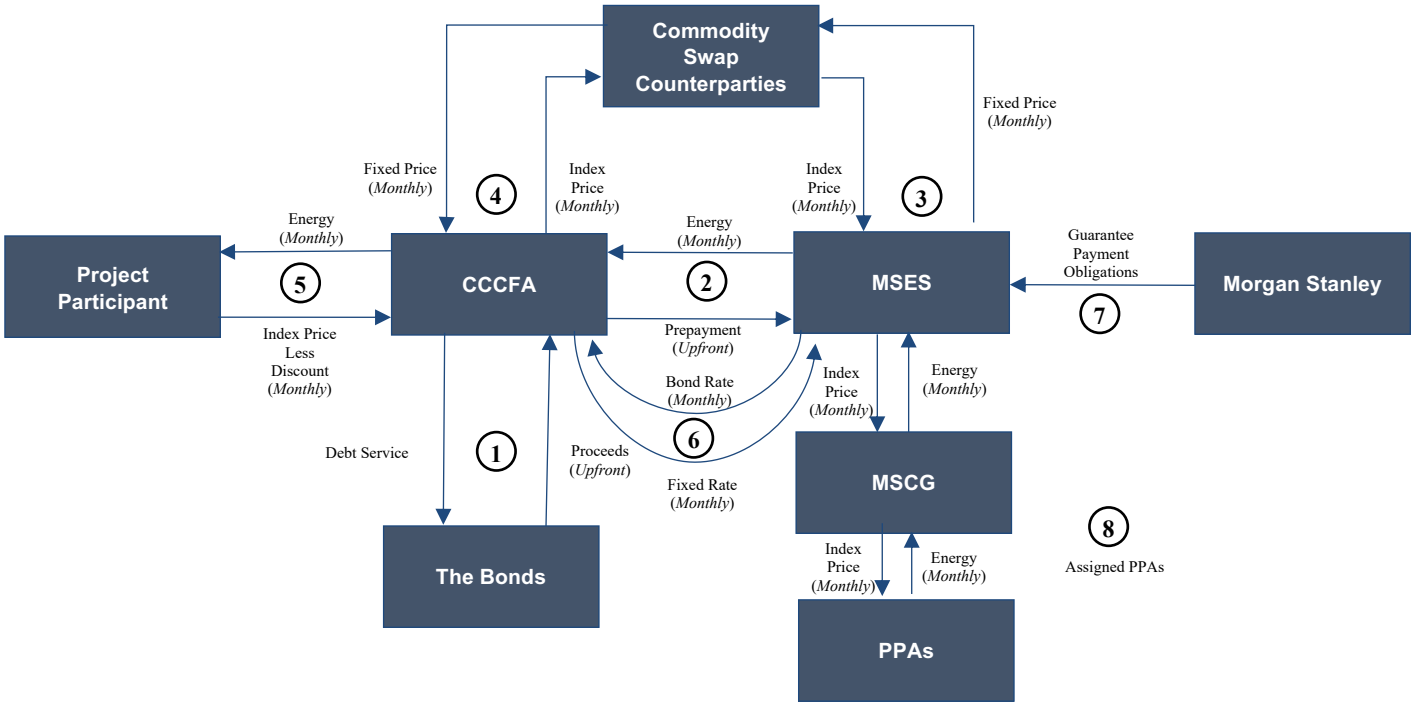
- The Investment Agreement Provider is required to make timely payment of scheduled amounts due under the Debt Service Account Investment Agreement which, together with other Revenues, provide sufficient monies to CCCFA to pay debt service.

Upon the early termination of the Prepaid Energy Sales Agreement as a result of a Termination Event, the obligation of the Energy Supplier and CCCFA to deliver and take Energy will terminate, and the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. The payment of the Termination Payment by MSES is guaranteed by Morgan Stanley. See "THE PREPAID ENERGY SALES AGREEMENT."

In the event the Prepaid Energy Sales Agreement is terminated, the Series 2024X-1 Bonds are to be redeemed at their Amortized Value and the Series 2024X-2 Bonds and the Series 2024X-3 Bonds are to be redeemed at 100% of their principal amount (in each case plus accrued interest to the redemption date), regardless of reinvestment rates at the time. See "THE BONDS — *Redemption — Extraordinary Mandatory Redemption.*"

The structure of the Clean Energy Project is summarized further in the diagram on the following page.

CLEAN ENERGY PROJECT TRANSACTION STRUCTURE



Transaction Overview

1. **Bond Issuance:** CCCFA issues the Bonds to fund the prepayment for Energy, pay capitalized interest, and pay costs of issuance. The Bonds will bear interest at fixed interest rates (or at floating rates swapped to a fixed rate under the Interest Rate Swap) during the Initial Interest Rate Period.

2. **Prepayment:** CCCFA will apply bond proceeds to prepay MSES for 30 years of Energy deliveries. Under the Prepaid Energy Sales Agreement, MSES will be obligated to: (a) deliver specified quantities of Energy each month to CCCFA for 30 years; (b) make payments for (i) projected monthly quantities of Assigned Energy that are not delivered and (ii) hourly quantities of Base Energy that are remarketed based on the applicable index price; and (c) make a termination payment upon any early termination of the Prepaid Energy Sales Agreement, including upon a Failed Remarketing with respect to the Bonds.

3. **MSES Commodity Swaps:** MSES enters into the MSES Commodity Swaps with the Commodity Swap Counterparties to facilitate MSES's ability to purchase at index prices the specified Energy quantities required to be delivered each month throughout the term of the Prepaid Energy Sales Agreement.

4. **CCCFA Commodity Swaps:** CCCFA enters into the CCCFA Commodity Swaps with the Commodity Swap Counterparties to facilitate its ability to sell specified Energy quantities required to be delivered to the Project Participant at index prices. The CCCFA Commodity Swaps enable CCCFA to sell prepaid quantities to the Project Participant at index prices while ensuring that the net revenues from Project Participant payments and the CCCFA Commodity Swaps always equal or exceed debt service regardless of the index price of Energy at the time. Quantities, term, and delivery points for the CCCFA Commodity Swaps mirror those of the MSES Commodity Swaps.

5. **Project Participant:** Under the Power Supply Contract, CCCFA will sell to the Project Participant all of the Energy delivered by MSES on a pay-as-you-go basis at an index price less specified discounts determined to ensure that the month's net Energy sale revenues (net of swap payments and receipts) will enable CCCFA to make scheduled deposits to the Debt Service Account.

6. **Interest Rate Swap:** CCCFA will enter into the Interest Rate Swap with MSES under which it will pay a fixed rate and receive a floating rate with respect to the interest rate on the Index Rate Bonds.

7. **MS Guarantees:** The payment obligations of MSES under the Prepaid Energy Sales Agreement, the MSES Commodity Swaps and the Interest Rate Swap will be guaranteed by Morgan Stanley.

8. **Assigned PPAs:** The Project Participant is expected to assign its rights to receive EPS Compliant Energy under existing and future PPAs to MSES (or, if MSCG is not the seller under the applicable PPA, to MSCG for delivery of the Assigned Energy to MSES) for MSES to meet its obligation to deliver EPS Compliant Energy to CCCFA under the Prepaid Energy Sales Agreement.

The cumulative effect of the Prepaid Energy Sales Agreement, the CCCFA Commodity Swaps, the Power Supply Contract and related documents enables CCCFA to receive dependable Energy supplies at a discount below market prices for sale to the Project Participant. The resulting monthly net revenues, regardless of changes in Energy prices, are expected to be adequate to pay Debt Service requirements on the Bonds and program expenses when due.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves certain investment considerations discussed throughout this Official Statement. Prospective purchasers of the Bonds should make a decision to purchase the Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained herein. Certain of those investment considerations are summarized below. This summary does not purport to be complete, and the order in which the following investment considerations are presented is not intended to reflect their relative significance.

Special and Limited Obligations

The Bonds are special, limited obligations of CCCFA and are payable solely from and secured solely by the Trust Estate pledged pursuant to the Indenture. The Trust Estate includes only the proceeds, revenues, funds and rights related to the Clean Energy Project, as described under "SECURITY FOR THE BONDS — The Indenture" herein and does not include any other revenues or assets of CCCFA. The Bonds are not general obligations of CCCFA, and CCCFA has no taxing power.

Only CCCFA is obligated to pay the Bonds. The Project Participant is not obligated to make payments in respect of the debt service on the Bonds. The Project Participant is obligated only to purchase and pay for Prepaid Energy tendered for delivery by CCCFA at the Contract Price set forth in the Power Supply Contract. The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from the operations of SJCE. None of the Project Participant, Energy Supplier, MSCG nor Morgan Stanley is obligated to make debt service payments on the Bonds, and none of them has guaranteed payment of the Bonds.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the Power Supply Contract, the Debt Service Account Investment Agreement, the CCCFA Commodity Swaps, the Interest Rate Swap, the Indenture, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, Morgan Stanley, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the payments due under the Interest Rate Swap and the CCCFA Commodity Swaps. See "THE CLEAN ENERGY PROJECT – *Structure of the Clean Energy Project*."

The Prepaid Energy Sales Agreement includes certain events of default applicable to CCCFA and the Energy Supplier. The Prepaid Energy Sales Agreement also includes certain non-default termination events the occurrence of which results in either an option for a party to terminate or automatic termination of the Prepaid Energy Sales Agreement. The events pursuant to which the Prepaid Energy Sales Agreement will terminate automatically include the occurrence of a Failed Remarketing. Upon the early termination of the Prepaid Energy Sales Agreement as a result of a Termination Event, the obligation of the Energy Supplier and CCCFA to deliver and take Energy shall terminate, and the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. The payment of the Termination Payment is guaranteed by Morgan Stanley under the Morgan Stanley PESA Guarantee.

In the event the Prepaid Energy Sales Agreement is terminated, the Series 2024X-1 Bonds are to be redeemed at their Amortized Value and the Series 2024X-2 Bonds and the Series 2024X-3 Bonds are to be redeemed at 100% of their principal amount (in each case plus accrued interest to the redemption date), regardless of reinvestment rates at the time. See "THE BONDS — *Redemption — Extraordinary Mandatory Redemption.*"

The scheduled amount of the Termination Payment, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture, has been calculated to provide a sum at least sufficient to pay the Purchase Price or the Redemption Price of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their respective contractual obligations when due, or in the event of nonpayment by the Energy Supplier, payment by Morgan Stanley under the Morgan Stanley Guarantees. A payment shortfall from any one of these entities could result in a payment shortfall to Bondholders. Any failure to pay the Purchase Price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture. See "THE PREPAID ENERGY SALES AGREEMENT – TERMINATION PAYMENT."

Performance by Others

During the Initial Interest Rate Period, the ability of CCCFA to pay timely the scheduled debt service on the Bonds depends on the timely performance and payment by (a) MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the MSES Commodity Swaps and the Interest Rate Swap, (b) in the event of nonpayment by MSES, Morgan Stanley under the Morgan Stanley Guarantees, and (c) the Investment Agreement Provider under the Debt Service Account Investment Agreement. The failure by any one or more of such parties to meet such obligations could materially and adversely affect the ability of CCCFA to pay timely the scheduled debt service on the Bonds, and to meet its other obligations under the Indenture, the Prepaid Energy Sales Agreement, the Interest Rate Swap, the Power Supply Contract and, if applicable, the CCCFA Commodity Swaps.

A default on payment of Debt Service could result from a failure by Morgan Stanley to timely pay guaranteed amounts under the Morgan Stanley Guarantees, including Morgan Stanley's guarantees of (a) the Energy Supplier's obligation to purchase Put Receivables in the event the Project Participant fails to pay for Prepaid Energy tendered for delivery by CCCFA, (b) the Energy Supplier's obligation to pay damages for Prepaid Energy tendered by CCCFA and not taken by the Project Participant, (c) the Energy Supplier's obligation to make the Termination Payment on any Early Termination Payment Date, and (d) the Energy Supplier's obligation to make payments to a Commodity Swap Counterparty under the MSES Commodity Swaps.

Certain events and conditions outside of the control of CCCFA could also result in a Termination Event under the Prepaid Energy Sales Agreement, which will cause the extraordinary mandatory redemption of the Bonds, including (a) failure by the Energy Supplier to make timely payment of any amounts required to be paid by it under the Prepaid Energy Sales Agreement, unless otherwise paid by Morgan Stanley under the Morgan Stanley PESA Guarantee, (b) failure by the Energy Supplier in the performance of its remarketing obligations with respect to any Base Energy under the Prepaid Energy Sales Agreement, including particularly its continuing ability to remarket Base Energy to Municipal Utilities, (c) the inability of the Energy Supplier or CCCFA to replace timely any Commodity Swap that has been terminated, (d) failure by a Commodity Swap Counterparty in the timely performance of its obligations

under a CCCFA Commodity Swap and an MSES Commodity Swap combined with a failure in the timely performance and enforcement of the related MSES Custodial Agreement, and (e) the occurrence of a Failed Remarketing. For a complete list of Termination Events, see "THE PREPAID ENERGY SALES AGREEMENT — *Termination*."

Energy Remarketing

In the event the Project Participant does not require or is unable to receive all or any portion of its Contract Quantity under the Power Supply Contract for certain reasons described under caption "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*", or if the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to use Commercially Reasonable Efforts to deliver Base Energy or Assigned Energy, as applicable, for remarketing under the terms of the Prepaid Energy Sales Agreement.

The Energy Supplier must remarket any Base Energy required to be delivered under the Prepaid Energy Sales Agreement. In the event the Energy Supplier is unable to remarket such Base Energy, it has agreed to purchase such Base Energy for its own account. The Energy Supplier is required to (a) enter all remarketing sales or purchases of Base Energy on a ledger system that tracks compliance with the requirements of the U.S. Treasury Regulations applicable to tax-exempt bonds that finance Prepaid Energy supplies, and (b) remediate any non-complying sales (i.e., non-qualifying use sales and private business use sales) through "qualifying use" sales within two years. See "INTRODUCTION – *Energy Remarketing*", "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*", and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*."

Limitations on Exercise of Remedies

The remedies available to CCCFA under the Prepaid Energy Sales Agreement are limited to those described herein. The remedies available to the Trustee, CCCFA and the Holders of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory provisions and judicial decisions, the remedies provided in the Indenture may not be readily available or may be limited.

Enforceability of Contracts

The enforceability of the various legal agreements relating to the Clean Energy Project may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally, by the exercise of judicial discretion in accordance with general principles of equity and by principles of equity, public policy and commercial reasonableness. The Prepaid Energy Sales Agreement and other agreements relating to the Clean Energy Project are executory contracts. If CCCFA, the Energy Supplier, Morgan Stanley, the Commodity Swap Counterparties, the Project Participant or any of the parties with which CCCFA has contracted under such agreements (including the Prepaid Energy Sales Agreement) is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In the event that CCCFA is involved in an insolvency proceeding, the exercise of the remedies afforded to the Trustee under the Indenture may be stayed, and the availability of the Revenues necessary for the payment of the Bonds could be materially and adversely affected.

No Established Trading Market

The Bonds constitute a new issue with no established trading market. The Bonds have not been registered under the Securities Act of 1933 in reliance upon exemptions contained therein. Although the Underwriter has informed CCCFA that it currently intends to make a market in the Bonds, they are not obligated to do so and may discontinue any such market making at any time without notice. There can be no assurance as to the development or liquidity of any market for the Bonds. If an active public market does not develop, the market price and liquidity of the Bonds may be adversely affected.

Loss of Tax Exemption on the Bonds

As described below, the opinion of Bond Counsel with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the "*IRS*") or the courts and is not a guarantee of a result.

The Indenture, CCCFA's Tax Agreement with respect to the Bonds, the Prepaid Energy Sales Agreement and the Power Supply Contract contain various covenants and agreements on the part of CCCFA, the Energy Supplier and the Project Participant that are intended to establish and maintain the tax-exempt status of the Bonds. CCCFA, the Energy Supplier and the Project Participant have each agreed to abide by the various covenants and agreements designed to protect the tax-exempt status of the Bonds. A failure by CCCFA, the Energy Supplier and the Project Participant to comply with such covenants and agreements could, directly or indirectly, adversely affect the tax-exempt status of the Bonds.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat CCCFA as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Any loss of the tax-exempt status of the Bonds could be retroactive to the date of issuance of the Bonds and could cause all of the interest on the Bonds to be includable in gross income for purposes of federal income taxation. *The loss of the tax-exempt status of the Bonds is not a termination event under the Prepaid Energy Sales Agreement and will not result in a mandatory redemption of the Bonds.* See "THE PREPAID ENERGY SALES AGREEMENT" and "TAX MATTERS."

Certain Risks of SOFR Index Rate Bonds

The Series 2024X-2 Bonds will bear interest at the SOFR Index Rate described herein, which is based on the Secured Overnight Financing Rate reported on the website of the Federal Reserve Bank of New York (the "*SOFR Index*"). See "THE BONDS — *Interest — Series 2024X-2 Bonds*" below for descriptions of the SOFR Index Rate and related matters.

An investment in the Series 2024X-2 Bonds entails risks not associated with an investment in a fixed rate security or a debt security the interest rate on which is not based on the SOFR Index. Investors should consult their own financial and legal advisors about the risks associated with an investment in the Series 2024X-2 Bonds and the suitability of an investment in the Series 2024X-2 Bonds considering their particular circumstances, and possible scenarios for economic, interest rate and other factors that may affect their investment.

Because the SOFR Index is independently published by the Federal Reserve Bank of New York (the "*NY Federal Reserve*") based on data received from other sources, CCCFA and the Calculation Agent have no control over its determination, calculation, or publication. There can be no guarantee that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Series 2024X-2 Bonds. A change in the manner in which the SOFR Index is calculated may result in a reduction of the amount of interest payable on the Series 2024X-2 Bonds and/or the trading prices of the Series 2024X-2 Bonds. If the rate at which interest on the Series 2024X-2 Bonds accrues on any day declines to zero or becomes negative, no interest will be payable on the Series 2024X-2 Bonds in respect of that day.

The NY Federal Reserve began to publish the SOFR Index in April 2018 and has also published historical indicative data for the SOFR Index going back to August 2014. Investors should not rely on any historical changes or trends in the SOFR Index as an indicator of future changes in the SOFR Index. Also, since the SOFR Index is a relatively new market index, the Series 2024X-2 Bonds may have a limited trading market when issued, and an established trading market may never develop or may be illiquid. Market terms of debt securities indexed to the SOFR Index, such as the spread over the index reflected in the interest rate provisions, may evolve over time, and trading prices of the Series 2024X-2 Bonds may be lower than those of later-issued indexed debt securities as a result. Similarly, if the SOFR Index does not prove to be widely used in securities similar to the Series 2024X-2 Bonds, the trading prices of the Series 2024X-2 Bonds may be lower than those of bonds linked to indices that are more widely used. Investors in the Series 2024X-2 Bonds may not be able to sell the Series 2024X-2 Bonds at all or may not be able to sell the Series 2024X-2 Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

SECURITY FOR THE BONDS

The Indenture

The Bonds are secured under the Indenture solely by a pledge of and lien on and a security interest in the "*Trust Estate*," which is defined in the Indenture to include (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier pursuant thereto, (f) all right, title and interest of CCCFA in, to and under the Morgan Stanley PESA Guarantee, (g) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (h) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (i) the Pledged Funds (which does not include the Administrative Fee Fund,

the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The pledge of and lien on and security interest in the Trust Estate in favor of the Trustee is subject to (x) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, including the first charge on the Revenues to pay Operating Expenses of the Clean Energy Project, and (y) a prior pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparties.

The term "*Revenues*" is defined in the Indenture to include (a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project, (b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund; (c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA; (d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and (e) any Advance received by the Trustee on behalf of CCCFA; *provided that,* the term "Revenues" shall not include: (i) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (ii) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (iii) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (iv) any Assignment Payment received from the Energy Supplier; (v) Interest Rate Swap Receipts (which are to be deposited directly into the Debt Service Account); and (vi) amounts paid by the Project Participant in respect of the Project Administration Fee. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the prior payment from the Revenues of the Operating Expenses of the Project. See "*Flow of Funds*" below.

The term "*Operating Expenses*" is defined in the Indenture to mean, to the extent properly allocable to the Clean Energy Project: (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA which are incurred by

CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described in this section under the heading "— *Flow of Funds*", Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE PROJECT PARTICIPANT, THE OTHER MEMBERS OF CCCFA, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE. CCCFA HAS NO TAXING POWER.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO CUSTOMERS OF SJCE. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

See APPENDIX B for definitions of certain terms and see APPENDIX C for a further description of certain provisions of the Indenture.

Flow of Funds

All Revenues are required by the Indenture to be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund. In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee is required to apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

first, to the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

second, subject to the provisos below, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service

Deposit, as set forth in the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein);

third, to the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

fourth, to the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

provided, however, that if the Project Participant's payment failure results in a Net Participant Shortfall Amount for such Month, the intent is that such payment failure be allocated between the amounts that otherwise would have been deposited to the Debt Service Fund and the Commodity Swap Payment Fund. Therefore, for any Month in which a Net Participant Shortfall Amount exists, the Trustee shall reduce the amount transferred under *second* above to the extent necessary such that the amount available for transfer under *third* above is not less than (a) the amount that would be required to fully fund the Commodity Swap Payments due for such Month, minus (b) the sum of all Net Participant Shortfall Amounts for such Month; and *provided further,* the amount required to be transferred to the Debt Service Account under *second* above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

If, after a scheduled monthly deposit to the Debt Service Account, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified in the Indenture, the Trustee shall immediately notify CCCFA of such deficiency and the Trustee shall (a) if CCCFA has not previously done so, cause CCCFA to suspend all deliveries of all quantities of Energy under the Power Supply Contract to the Project Participant that is in default thereunder, and (b) promptly give notice to the Energy Supplier to follow the Remarketing Provisions set forth in the Prepaid Energy Sales Agreement.

On each [September] 1, beginning [September] 1, 2025, after (a) the deposit of Revenues into the Revenue Fund, and (b) making such transfers, credits and deposits as described in the first paragraph of this section "Flow of Funds," the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund. See ["*Revenues and Revenue Fund*" and "*Payments into Certain Funds*"] in APPENDIX C.

So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

As noted above, certain amounts are pledged as a part of the Trust Estate but do not constitute Revenues and are not deposited into the Revenue Fund, including (a) any Termination Payment received under the Prepaid Energy Sales Agreement, which is to be deposited directly into the Redemption Account, and (b) any Interest Rate Swap Receipts, which are to be deposited directly into the Debt Service Account, all as provided in the Indenture.

Debt Service Fund - Debt Service Account

The amounts deposited into the Debt Service Account must be held in such Account and applied to the payment of Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date. Amounts on deposit in the Debt Service Account will be initially invested pursuant to the Debt Service Account Investment Agreement, which will provide for scheduled withdrawals to pay debt service on the Bonds when due and, in the case of extraordinary redemption, to pay the Redemption Price without penalty or market value adjustments. See "— *Investment of Funds* – Debt Service Account Investment Agreement."

Capitalized Interest on the Bonds will be funded with a deposit of Bond proceeds on the Initial Issue Date of the Bonds. The amount so deposited will be used to pay a portion of the interest coming due on the Bonds and the Interest Rate Swap through [_____ 1, 20__].*

Debt Service Fund - Redemption Account

In the event of an early termination of the Prepaid Energy Sales Agreement, CCCFA will direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of CCCFA. The Trustee will deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account will be applied by the Trustee to the extraordinary mandatory redemption of Outstanding Bonds as described below under "THE BONDS — Redemption — *Extraordinary Mandatory Redemption*."

Administrative Fee Fund

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, will be deposited by the Trustee into the Administrative Fee Fund. The Trustee is required to apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of CCCFA directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of CCCFA, the Trustee is required to promptly notify the Project Participant, at its address shown in the Indenture, of the fact and amount of such deficiency.

Commodity Swap Payment Fund

The amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee solely to the payment of Commodity Swap Payments when due. Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application as described above.

Restriction on Additional Obligations

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, CCCFA will not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the

* Preliminary; subject to change.

Trust Estate, or create or cause to be created any lien or charge on the Trust Estate, other than bonds, notes, debentures or other evidences of indebtedness of similar nature issued to refund Outstanding Bonds ("*Refunding Bonds*"), or otherwise incur obligations other than those contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreements, the CCCFA Commodity Swaps, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments). However, such limitation will not prevent CCCFA from entering into any Commodity Swap or Interest Rate Swap upon the terms set forth in the Indenture, or incurring any debt payable out of moneys in the Project fund as part of the Cost of Acquisition or secured by the Trust Estate following the defeasance of the Bonds.

Other than the Bonds and any Refunding Bonds, no additional bonds or other obligations are authorized to be issued under the Indenture or for which payment is otherwise secured by a pledge or assignment of, or lien on, the Trust Estate.

Amendment of Indenture

CCCFA and the Trustee may from time to time, subject to the conditions and restrictions in the Indenture, enter into a Supplemental Indenture or Indentures without the consent of the Bondholders for certain purposes, and upon receipt of a Rating Confirmation if the Bonds affected by such change are rated by a Rating Agency. See ["*Supplemental Indenture Not Requiring Consent of Bondholders,*" "*General Provisions*" and "*Powers of Amendment*"] in APPENDIX C hereto.

Investment of Funds

General. Subject to the provisions of the Indenture, amounts on deposit in the Funds and Accounts may be invested in, among other things, guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; provided, however, that guaranteed investment contracts, forward delivery agreements or similar agreements must be with providers that are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) at least at the same credit rating level as the Energy Supplier (or if the Energy Supplier is not rated, the credit rating level of the guarantor of its payment obligations under the Prepaid Energy Sales Agreement). See APPENDIX B and APPENDIX C.

Debt Service Account Investment Agreement. On the Initial Issue Date of the Bonds, it is expected that CCCFA (or the Trustee) and a qualified investment provider to be selected on such date (the "*Investment Agreement Provider*"), will enter into an investment agreement (which may be in the form of an ISDA Master Agreement) with respect to the Debt Service Account (the "*Debt Service Account Investment Agreement*"). The Debt Service Account Investment Agreement constitutes a "Debt Service Fund Agreement" as defined in the Indenture. The Debt Service Account Investment Agreement will become effective on the first day, and will be scheduled to terminate on the last day, of the Initial Interest Rate Period and is required to meet all of the criteria of a Qualified Investment under the Indenture and is expected to be bid out on the day of Bond pricing to qualified investment providers. See "SECURITY FOR THE BONDS — *Investment of Funds*."

Required qualifications for the Investment Agreement Provider include: (a) a minimum credit rating requirement for the Investment Agreement Provider (or its guarantor) of at least that of Morgan Stanley, which as of the date of this Official Statement is "A1" by Moody's, and (b) a requirement that

upon a credit rating withdrawal, suspension or downgrade of the Investment Agreement Provider (or its guarantor) below the lower of (i) "A1" by Moody's or (ii) the then-current credit rating of Morgan Stanley, the Investment Agreement Provider will provide a credit remedy, such as providing credit support or posting eligible collateral, or CCCFA will have the right to terminate the agreement.

Required qualifications for a Debt Service Account Investment Agreement that is a forward delivery agreement include: (a) the minimum credit rating requirement described in clause (a) of the preceding paragraph, (b) the credit downgrade provisions described in clause (b) of the preceding paragraph, (c) opinions of counsel, domestic and foreign, where applicable, that the securities delivered in connection with the agreement do not constitute property of the forward delivery agreement provider under bankruptcy, and will not be subject to automatic stay, and (d) a limitation that the only securities the forward delivery agreement provider is allowed to deliver are non-callable, non-prepayable (i) direct obligations of the United States government or any of its agencies that are unconditionally guaranteed as to principal and interest by the United States of America, or (ii) senior debt obligations of any agency of the United States government.

The Debt Service Account Investment Agreement will provide for a fixed interest rate to be paid on the funds invested and will provide for scheduled withdrawals in connection with certain Bond Payment Dates.

Upon transaction termination, whether by extraordinary mandatory redemption or final maturity, the funds invested under the Debt Service Account Investment Agreement will be used to pay the redemption price or debt service due on the Bonds. If the Debt Service Account Investment Agreement terminates, all invested funds are required to be returned to the Trustee.

Enforcement of Project Agreements

Power Supply Contract. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

CCCFA has also covenanted to exercise promptly its right to suspend all Energy deliveries under the Power Supply Contract if the Project Participant fails to pay when due any amounts owed to CCCFA thereunder and to promptly give notice to the Energy Supplier to follow provisions set forth in the Remarketing Provisions of the Prepaid Energy Sales Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

In the event that the Project Participant delivers a Remarketing Election Notice (as defined in the Power Supply Contract) in respect of any Reset Period, then CCCFA will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions of the Prepaid Energy Sales Agreement for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to the Project Participant. See "THE RE-PRICING AGREEMENT."

CCCFA has further covenanted in the Indenture that it will not consent or agree to or permit any termination or rescission of, any assignment or novation (in whole or in part) by the Project Participant of, or amendment to or otherwise take any action under or in connection with the Power Supply Contract that will impair the ability of CCCFA to collect Revenues in each Fiscal Year which, together with the other

amounts available therefor, shall provide an amount sufficient to pay the amount estimated by CCCFA to be required to be paid during such Fiscal Year into the Operating Fund; the amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which CCCFA anticipates will be transferred from other Funds or Accounts; the amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and all other charges or liens whatsoever payable out of Revenues during such Fiscal Year. Under the Indenture, upon the satisfaction of certain conditions, including delivery of a Rating Confirmation, CCCFA may agree to the amendment of a Power Supply Contract or to the assignment or novation of all or a portion of a Project Participant's rights and obligations under the Power Supply Contract.

Enforcement of Agreements by the Trustee. Under the Indenture, CCCFA has irrevocably pledged and collaterally assigned to the Trustee its rights to issue notices and to take any other actions that CCCFA is required or permitted to take in order to enforce performance under certain documents, including (a) the Prepaid Energy Sales Agreement, (b) the Power Supply Contract, (c) the CCCFA Commodity Swaps, (d) the Interest Rate Swap, and (e) the Morgan Stanley PESA Guarantee. CCCFA has retained, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights for which it has pledged and collaterally assigned to the Trustee as described in the preceding sentence; *provided, however*, if an Event of Default has occurred and is continuing, the Trustee will have the right to notify CCCFA to cease exercising such rights, subject to certain rights of the Energy Supplier with respect to the Power Supply Contract.

Prepaid Energy Sales Agreement. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Prepaid Energy Sales Agreement and duly perform its covenants and agreements thereunder and will enforce the provisions of the Morgan Stanley PESA Guarantee.

The Trustee will promptly notify CCCFA of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. CCCFA will provide the Trustee with Written Notice of the Early Termination Payment Date (a) on the date on which a Failed Remarketing occurs, and (b) in all other cases, not more than five Business Days after such date is determined.

CCCFA has further covenanted that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement or the Morgan Stanley PESA Guarantee which would in any manner materially impair or materially adversely affect its rights thereunder or the rights or security of the Bondholders under the Indenture; *provided*, that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment.

CCCFA Commodity Swaps. CCCFA has covenanted to cause amounts due to CCCFA under the CCCFA Commodity Swaps to be collected and paid directly to the Trustee. Pursuant to the Indenture, Commodity Swap Receipts are to be deposited by the Trustee into the Revenue Fund. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the CCCFA Commodity Swaps and duly perform its covenants and agreements thereunder,

- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the CCCFA Commodity Swaps that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and

- it will not exercise any right to terminate a CCCFA Commodity Swap unless either (i) it has entered into a replacement CCCFA Commodity Swap therefor that meets the requirements of the Indenture, and such replacement CCCFA Commodity Swap will be effective as of such early termination date and cover price exposure from and after such early termination date, or (ii) CCCFA causes or permits the termination of the Prepaid Energy Sales Agreement prior to or as of such early termination date.

CCCFA may replace a CCCFA Commodity Swap (and any related guaranty of a Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation. If a CCCFA Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may terminate such CCCFA Commodity Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement CCCFA Commodity Swap with an alternate Commodity Swap Counterparty without a Rating Confirmation, but only if the replacement CCCFA Commodity Swap is identical in all material respects to the existing CCCFA Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the Commodity Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) the rating then assigned by each Rating Agency to the Bonds or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as CCCFA determines to be necessary, and (3) in either case, the replacement Commodity Swap Counterparty enters into a replacement Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Custodial Agreement.

In the event that a CCCFA Commodity Swap is terminated by CCCFA and is not replaced (a) within the 120-day replacement period provided for in the Prepaid Energy Sales Agreement or (b) after six consecutive monthly payments have been received by CCCFA from the Custodian (instead of directly from the Commodity Swap Counterparty), CCCFA has covenanted in the Indenture that it will exercise its right to terminate the Prepaid Energy Sales Agreement in accordance with its terms. Further, CCCFA has covenanted under the Indenture to terminate a CCCFA Commodity Swap (a) after 120 days if it is not receiving payments owed to it thereunder, or (b) after six consecutive monthly payments by the Custodian if CCCFA is receiving payments from the Custodian instead of directly from the Commodity Swap Counterparty, in order to replace both the applicable CCCFA Commodity Swap and the MSES Commodity Swap. Upon the occurrence of a Commodity Swap Mandatory Termination Event, CCCFA will (A) notify the Energy Supplier of such event pursuant to the Prepaid Energy Sales Agreement, and (B) in accordance with the Prepaid Energy Sales Agreement, use its good faith efforts to replace the affected CCCFA Commodity Swap with an alternate CCCFA Commodity Swap, subject to the conditions of the first sentence of the paragraph immediately above, during the 120 day replacement period contemplated by the Prepaid Energy Sales Agreement (the "*Swap Replacement Period*").

If CCCFA is unable to enter into an alternate CCCFA Commodity Swap pursuant to clause (B) in the paragraph immediately above during the Swap Replacement Period, CCCFA will, unless the affected CCCFA Commodity Swap has been terminated automatically pursuant to the terms thereof, designate an early termination date for such CCCFA Commodity Swap, with such early termination date occurring immediately after the end of the Swap Replacement Period. The Early Termination Date under the Prepaid Energy Sales Agreement will occur concurrently with the early termination of such CCCFA Commodity Swap (regardless of whether the applicable CCCFA Commodity Swap has been terminated automatically or by notice designating such early termination date).

Interest Rate Swap. Amounts due to CCCFA under the Interest Rate Swap are payable directly to the Trustee. Pursuant to the Indenture, Interest Rate Swap Receipts are to be deposited by the Trustee in the Debt Service Account. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder,

- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and

- it will not exercise any right to terminate the Interest Rate Swap unless it either (i) has entered into a replacement Interest Rate Swap that meets requirements specified in the Indenture or (ii) in all other cases, the Prepaid Energy Sales Agreement will terminate prior to or as of such early termination date.

CCCFA may enter into a replacement Interest Rate Swap at any time by delivering a Rating Confirmation to the Trustee. If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may terminate the Interest Rate Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without a Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier, or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as CCCFA shall determine to be necessary.

SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are approximately as follows:

SOURCES:	
Par Amount	$
Original Issue Premium	
Total Sources	$
USES:	
Deposit to Project Fund[1]	$
Costs of Issuance[2]	
Total Uses	$

1 Includes the prepayment amount and capitalized interest on the Bonds (which will be transferred to the Debt Service Account).

2 Includes underwriting, rating agency, Trustee, municipal advisor, legal and other fees and other expenses related to the issuance of the Bonds and the acquisition of the Clean Energy Project.

THE BONDS

General

The Bonds will mature (subject to redemption as described below) on the dates and in the principal amounts shown on the inside cover page of this Official Statement. The Bonds will be initially issued in denominations of $5,000 and any integral multiples thereof (an "*Authorized Denomination*"). The Bonds will be initially issued in book-entry only form through the facilities of The Depository Trust Company, New York, New York ("*DTC*"). See "THE BONDS — *Book-Entry System*" and APPENDIX G for a description of DTC and its book-entry system.

Interest

During the Initial Interest Rate Period, the Bonds will bear interest as described below.

Series 2024X-1 Bonds

During the Initial Interest Rate Period, the Series 2024X-1 Bonds will bear interest in a Term Rate Period, with the Series 2024X-1 Bonds of each maturity bearing interest at the fixed rates shown on the inside cover page of this Official Statement. During the Initial Interest Rate Period, interest on the Series 2024X-1 Bonds will be payable semiannually on [March 1* and September 1*] of each year, commencing [March 1, 2025*]. During the Initial Interest Rate Period, interest on the Series 2024X-1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

* Preliminary; subject to change.

Series 2024X-2 Bonds

The Initial Interest Rate Period for the Series 2024X-2 Bonds will be a SOFR Index Rate Period, and the Series 2024X-2 Bonds will bear interest at the SOFR Index Rate determined as described below during the SOFR Index Rate Period.

Interest Payments. Interest on each Series 2024X-2 Bond is payable on the first Business Day of each month, commencing with the first Business Day of [_____ 20__],* and on the Mandatory Purchase Date. Such interest shall be calculated on the basis of a 365- or 366-day year, as applicable, and the actual number of days in the SOFR Accrual Period immediately preceding each Interest Payment Date.

Determination of the SOFR Index Rate. One Business Day prior to the Initial Issue Date of the Series 2024X-2 Bonds, the SOFR Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Initial Issue Date to (but not including) the next succeeding SOFR Effective Date. Thereafter, (a) the SOFR Index Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on each SOFR Publish Date and (b) the Calculation Agent shall determine and provide to the Trustee the SOFR Index Rate at or before 12:00 noon, New York City time, on each SOFR Effective Date. The Calculation Agent shall also calculate and provide to CCCFA and the Trustee the amount of interest due and payable on each Interest Payment Date for the Series 2024X-2 Bonds at least one Business Day prior to such Interest Payment Date. Upon the written request of any Owner of Series 2024X-2 Bonds, the Trustee shall provide the SOFR Index Rate then in effect, as determined by the Calculation Agent. All percentages resulting from any step in the calculation of interest on the Series 2024X-2 Bonds while in the SOFR Index Rate Period will be rounded, if necessary, to the nearest one millionth of a percentage point (i.e., to six decimal places), with 0.0000005 rounded upward to 0.000001, and all dollar amounts used in or resulting from such calculation of interest on the Series 2024X-2 Bonds will be rounded to the nearest cent (with one-half cent being rounded upward).

SOFR Index Rate. The SOFR Index Rate is a daily variable interest rate equal to the sum of (a) the product of the SOFR Index and the Applicable Factor plus (b) the Applicable Spread on each day of a SOFR Effective Period. The SOFR Index Rate shall be not less than 0.00% per annum, and shall not exceed the Maximum Rate.

Applicable Factor. The Applicable Factor is the percentage of the SOFR Index shown on the inside cover page of this Official Statement for the Series 2024X-2 Bonds. The Applicable Factor will remain constant for the duration of the SOFR Index Rate Period.

Applicable Spread. The Applicable Spread for the Series 2024X-2 Bonds is the margin shown on the inside cover page of this Official Statement added to the product of the SOFR Index and the Applicable Factor to determine the SOFR Index Rate for the Series 2024X-2 Bonds. The Applicable Spread will remain constant for the duration of the SOFR Index Rate Period.

Business Day. For purposes of determining the SOFR Index Rate, "*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or the cities in which are located the designated corporate trust offices of the Trustee, the Custodian or the

* Preliminary; subject to change.

Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, or (e) any day that the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the purposes of trading fixed-income securities.

Index Rate Reset Date. The Index Rate Reset Date for the Series 2024X-2 Bonds is each SOFR Effective Date.

NY Federal Reserve's Website is the website of the NY Federal Reserve currently at http://www.newyorkfed.org, or any successor website of the NY Federal Reserve. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

SOFR Accrual Period. The SOFR Accrual Period is (a) the number of actual days from, and including, the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of calendar days in any month.

SOFR Effective Date. The SOFR Effective Date is each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for the Series 2024X-2 Bonds.

SOFR Effective Period. The SOFR Effective Period is the number of actual days from a SOFR Effective Date to the next SOFR Effective Date.

SOFR Index. The SOFR Index is the Secured Overnight Financing Rate reported on the NY Federal Reserve's Website, or reported by any successor to the NY Federal Reserve as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If the SOFR Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture. The Indenture requires that any substitute or replacement index must be consistent with any corresponding substitute or replacement index designated pursuant to the applicable interest rate swap.

SOFR Interest Calculation Date. The SOFR Interest Calculation Date is the first Business Day of each month, commencing with the first Business Day of [_____ 20__].*

SOFR Lookback Date. The SOFR Lookback Date is the third Business Day immediately preceding each SOFR Effective Date.

* Preliminary; subject to change.

SOFR Publish Date. The SOFR Publish Date is the second Business Day immediately preceding each SOFR Effective Date.

Additional Information Regarding SOFR. The Secured Overnight Financing Rate (or SOFR) is published by the NY Federal Reserve and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The NY Federal Reserve reports that the Secured Overnight Financing Rate includes all trades in the Broad General Collateral Rate (as defined on the NY Federal Reserve's Website), plus bilateral Treasury repurchase agreement ("repo") transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the "*FICC*"), a subsidiary of the Depository Trust and Clearing Corporation ("*DTCC*"). The Secured Overnight Financing Rate is filtered by the NY Federal Reserve to remove a portion of the foregoing transactions considered to be "specials." "Specials" are repos for specific-issue collateral, which take place at cash-lending rates below those for general collateral repos because cash providers are willing to accept a lesser return on their cash in order to obtain a particular security.

The NY Federal Reserve reports that the Secured Overnight Financing Rate is calculated as a volume- weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repo transactions cleared through the FICC's delivery-versus-payment service, which are obtained from the U.S. Department of the Treasury's Office of Financial Research. The NY Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The NY Federal Reserve notes on its publication page for the Secured Overnight Financing Rate that use of the Secured Overnight Financing Rate is subject to important limitations and disclaimers, including that the NY Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the Secured Overnight Financing Rate at any time without notice. Secured Overnight Financing Rate rates are subject to revision until 2:30 p.m. New York City time on any date on which the Secured Overnight Financing Rate is published. The description of the Secured Overnight Financing Rate herein is not and does not purport to be exhaustive.

For a more complete description of the Secured Overnight Financing Rate, see the NY Federal Reserve's Website at https://www.newyorkfed.org/markets/reference-rates/sofr. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

For a summary of certain risks relating to SOFR Index Rate Bonds, see "INVESTMENT CONSIDERATIONS — *Certain Risks of SOFR Index Rate Bonds*."

Series 2024X-3 Bonds

The Initial Interest Rate Period for the Series 2024X-3 Bonds will be a SIFMA Index Rate Period, and the Series 2024X-3 Bonds will bear interest at the SIFMA Index Rate determined as described below during the SIFMA Index Rate Period.

Interest Payments. Interest on each Series 2024X-3 Bond is payable on the first Business Day of each month, commencing with the first Business Day of [_____ 20__]*, and on the Mandatory

Purchase Date. Such interest shall be calculated on the basis of a 365- or 366-day year, as applicable, and the actual number of days elapsed.

Determination of the SIFMA Index Rate. One Business Day prior to the Initial Issue Date of the Series 2024X-3 Bonds, the SIFMA Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Initial Issue Date to (but not including) the first Index Rate Reset Date. Thereafter, (A) the SIFMA Index Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on each Wednesday or, if such Wednesday is not a Business Day, the Business Day immediately succeeding such Wednesday, and (B) the SIFMA Index Rate shall be determined by the Calculation Agent at or before 12:00 noon, New York City time, on each Index Rate Reset Date. All percentages resulting from any step in the calculation of interest on the Series 2024X-3 Bonds while in the SIFMA Index Rate Period will be rounded, if necessary, to the nearest one millionth of a percentage point (i.e., to six decimal places), with 0.0000005 rounded upward to 0.000001, and all dollar amounts used in or resulting from such calculation of interest on the Series 2024X-3 Bonds will be rounded to the nearest cent (with one-half cent being rounded upward).

SIFMA Index Rate. The SIFMA Index Rate is a variable per annum rate of interest equal to the sum of (i) the SIFMA Index then in effect plus (ii) the Applicable Spread. The SIFMA Index Rate shall be not less than the Minimum Rate of 0.00% per annum, and shall not exceed the Maximum Rate of 12% per annum.

Applicable Spread. The Applicable Spread for the Series 2024X-3 Bonds is the margin added to the SIFMA Index as shown on the inside cover page of this Official Statement for the Series 2024X-3 Bonds. The Applicable Spread shall remain constant for the duration of the SIFMA Index Rate Period.

SIFMA Index. "*SIFMA Index*" means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in compliance with the Indenture. The Indenture requires that any substitute or replacement index must be consistent with any corresponding substitute or replacement index designated pursuant to the applicable interest rate swap.

Index Rate Reset Date. The Index Rate Reset Date for the SIFMA Index Rate applicable to the Series 2024X-3 Bonds shall be Thursday of each week or, if Thursday is not a Business Day, the next succeeding Business Day.

Calculation Agent

U.S. Bank Trust Company, National Association will be appointed by CCCFA as Calculation Agent for any Index Rate Bonds that are issued pursuant to the Indenture and a Calculation Agent Agreement between the parties.

General

After the Initial Interest Rate Period, the Outstanding Bonds may be remarketed or converted into another Term Rate Period or Index Rate Period(s), as applicable, or may be remarketed or converted to one or more of a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, an Index Rate Period or a combination thereof. ***This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds have been converted to another Interest Rate Period***.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Bond is registered, with respect to the Series 2024X-1 Bonds, at the close of business on the 15th day of the Month immediately preceding the Month in which such Interest Payment Date falls, or, with respect to the Series 2024X-2 Bonds and the Series 2024X-3 Bonds, the Business Day immediately preceding such Interest Payment Date (the "*Regular Record Date*").

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date ("*Defaulted Interest*"), shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by CCCFA to the Persons in whose names the Bonds are registered at the close of business on a date (the "*Special Record Date*") for the payment of such Defaulted Interest, which shall be fixed in the following manner. CCCFA shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time CCCFA shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in the Indenture. Thereupon the Bond Registrar will then fix a Special Record Date for the payment of such Defaulted Interest which will be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the notice of the proposed payment. The Bond Registrar shall promptly notify CCCFA of such Special Record Date and, in the name and at the expense of CCCFA, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Tender

Mandatory Tender. The Bonds of each Series maturing on the Final Maturity Date are required to be tendered for purchase on the Mandatory Purchase Date, which is the day following the end of the Initial Interest Rate Period. The Purchase Price of the Bonds on the Mandatory Purchase Date is equal to 100% of the principal amount thereof and is payable in immediately available funds *first* from amounts on deposit in the Remarketing Proceeds Account established by the Indenture and *second* from amounts on deposit in the Issuer Purchase Account established by the Indenture. Accrued interest due on the Bonds purchased on the Mandatory Purchase Date, which is an Interest Payment Date, shall be paid from amounts on deposit in the Debt Service Account.

The Purchase Price of each Bond on the Mandatory Purchase Date shall be payable only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery. Notice of a mandatory tender is to be given no less than 15 days prior to the applicable Mandatory Purchase Date. In the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on the Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and no interest shall accrue thereon on and after the Mandatory Purchase Date, and the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof.

Failed Remarketing. Under the Indenture, a "*Failed Remarketing*" means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund), or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon, New York City time, on the fifth Business Day preceding such Mandatory Purchase Date. A Failed Remarketing will result in an Early Termination Payment Date under the Prepaid Energy Sales Agreement and the extraordinary redemption of the Bonds on the Mandatory Purchase Date.

No Optional Tender. The Bonds of each Series are ***not*** subject to optional tender by Bondholders during the Initial Interest Rate Period.

Redemption[*]

Optional Redemption of Series 2024X-1 Bonds. The Series 2024X-1 Bonds are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date prior to [_____ 1, 20__] at a Redemption Price, calculated by a quotation agent selected by CCCFA, equal to the greater of:

(a) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2024X-1 Bonds to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the earlier of the stated maturity date of such Series 2024X-1 Bond or the Mandatory Purchase Date, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax-Exempt Municipal Bond Rate (described below) for such Series 2024X-1 Bonds minus 0.25% per annum, provided, however, that if the Applicable Tax-Exempt Municipal Bond Rate results in a discount rate less than zero percent, such discount shall be 0.00% in any event, and

[*] Preliminary; subject to change.

(b) the Amortized Value thereof (described below);

in each case plus accrued and unpaid interest to the date of redemption.

The Series 2024X-1 Bonds maturing on the Mandatory Purchase Date are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date on or after [_____ 1, 20__] at a Redemption Price, equal to the Amortized Value thereof as of the first day of the month of redemption (expressed as a percentage of the principal amount of the Series 2024X-1 Bonds to be redeemed), equal to the Amortized Value thereof as of the date of redemption, plus $0.__ per $1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2024X-1 Bonds; *provided that*, if the optional redemption date is the Initial Mandatory Purchase Date, the Redemption Price will be 100% of the principal amount of the Series 2024X-1 Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

The Series 2024X-1 Bonds maturing after the Mandatory Purchase Date are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date on or after [_____ 1, 20__] at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus $0.__ per $1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2024X-1 Bonds; provided that, if the optional redemption date is the Mandatory Purchase Date, the redemption price shall be 100% of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

In lieu of redeeming Series 2024X-1 Bonds pursuant to the Indenture, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2024X-1 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2024X-1 Bonds. Any Series 2024X-1 Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of CCCFA.

The "*Applicable Tax-Exempt Municipal Bond Rate*" means, for the Bonds of any maturity, the "Comparable AAA General Obligations" yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 90 days prior to the date that notice of redemption is required to be given pursuant to the Indenture. If no such yield curve rate is established for the applicable year, the "Comparable AAA General Obligations" yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax-Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through the internet address: www.tm3.com. In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics no longer publishes the Consensus Scale, the Applicable

Tax-Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax-exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax-Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

"*Amortized Value*" means, with respect to any Series 2024X-1 Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Series 2024X-1 Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Series 2024X-1 Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Series 2024X-1 Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date and a yield equal to such Series 2024X-1 Bond's original reoffering yield on the date such Series 2024X-1 Bond began to bear interest at its current Term Rate (as set forth on the inside cover page of this Official Statement) which, in the case of the initial Term Rate Period for the Series 2024X-1 Bonds and certain dates, produces the amounts for all of the Series 2024X-1 Bonds set forth in the Indenture. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on APPENDIX H.

Optional Redemption of Index Rate Bonds. The Series 2024X-2 Bonds and the Series 2024X-3 Bonds are subject to optional redemption by CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and at random within a maturity), on any day on or after the first day of the third month preceding the Initial Mandatory Purchase Date for the Series 2024X-2 Bonds and the Series 2024X-3 Bonds, as applicable, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption. In lieu of redeeming the Series 2024X-2 Bonds or Series 2024X-3 Bonds as described above, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2024X-2 Bonds or Series 2024X-3 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2024X-2 Bonds or Series 2024X-3 Bonds, as applicable. Any Series 2024X-2 Bonds and Series 2024X-3 Bonds so purchased may be remarketed in a new Interest Rate Period.

Extraordinary Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment Date, which redemption date in the case of a Failed Remarketing will be the same day as the next-occurring Mandatory Purchase Date, at the following Redemption Prices: (a) in the case of the Series 2024X-1 Bonds, the Amortized Value thereof, and (b) in the case of the Series 2024X-2 Bonds and the Series 2024X-3 Bonds, 100% of the principal amount thereof, plus, in each case, accrued and unpaid interest to the redemption date. See APPENDIX H for a schedule showing the Redemption Price (excluding accrued interest) of all of the Bonds upon an extraordinary mandatory redemption following an Early Termination Payment Date that occurs during the Initial Interest Rate Period.

CCCFA shall provide the Trustee with Written Notice of the Early Termination Payment Date (x) on the date on which a Failed Remarketing occurs and (y) in all other cases, not more than five days after such date is determined.

Notice of Redemption. In the case of every redemption of Bonds, the Trustee must give notice, in the name of CCCFA, of the redemption of such Bonds by first-class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, not less than 15 days prior to the redemption date in the case of an extraordinary mandatory redemption described above, not less than 30 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2024X-1 Bonds, and not less than 15 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2024X-2 Bonds and the Series 2024X-3 Bonds.

Each notice of redemption must identify the Bonds to be redeemed and must state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to a mandatory tender on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to the provisions of the Indenture relating to mandatory tender on such Mandatory Purchase Date rather than redeemed.

With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds will be deemed to have been paid under the Indenture, such notice must state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice will be of no force and effect, and CCCFA will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee must within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Effect of Redemption. Notice having been given in the manner provided in the Indenture and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of the Bonds or portions thereof being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Partial Redemption of Bonds. If less than all of the Bonds of like series, tenor and maturity are called for redemption, the particular Bonds or portions of Bonds of such series, tenor and maturity to be redeemed must be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such series, tenor and maturity not previously called for redemption; *provided*, *however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

Book-Entry System

The Bonds will be initially issued in book-entry only form through the facilities of DTC. The Bonds will be transferable and exchangeable as set forth in the Indenture and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and premium, if any, and interest on the Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G.

THE INTEREST RATE SWAP

General

With respect to any Index Rate Bonds that are issued, CCCFA will enter into the Interest Rate Swap in order to match its payment obligations on such Index Rate Bonds with its expected Revenues from payments under the Power Supply Contract and the CCCFA Commodity Swaps. The Interest Rate Swap consists of a 2002 ISDA Master Agreement, a schedule thereto and a confirmation. The term of the Interest Rate Swap will extend for the term of the Initial Interest Rate Period.

Payments Under the Interest Rate Swap

Under the Interest Rate Swap, MSES, as Interest Rate Swap Counterparty, is obligated to pay CCCFA on the Business Day preceding each Interest Payment Date floating amounts equal to the amount of interest due on the Index Rate Bonds on such Interest Payment Date, and CCCFA is obligated to pay the Interest Rate Swap Counterparty fixed amounts calculated using a fixed rate and notional amounts equal to the principal amount of Index Rate Bonds then Outstanding.

Interest Rate Swap Receipts received by CCCFA are deposited directly into the Debt Service Account. Interest Rate Swap Payments owed by CCCFA are payable from amounts on deposit in the Debt Service Account. Neither party will be obligated to make any payment (other than accrued and unpaid amounts) under the Interest Rate Swap upon early termination thereof.

Events of Default and Termination Events under the Interest Rate Swap

The Interest Rate Swap contains standard Events of Default and Termination Events set forth in the form of the 2002 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swap Dealers Association, Inc. (available at www.isda.org), subject to such modifications contained in the Schedule to such ISDA Master Agreement as are generally applied to municipal counterparties.

The Schedule to the 2002 ISDA Master Agreement for the Interest Rate Swap provides that certain of such Events of Default and Termination Events will not apply or provides for a modification to the remedies available upon the occurrence of such an event. The Events of Default not applicable to CCCFA are Section 5(a)(ii)(2) (Repudiation of Agreement), Section 5(a)(iii) (Credit Support Default), Section 5(a)(v) (Default under Specified Transaction) and Section 5(a)(vi) (Cross Default), and the Termination Event not applicable to CCCFA is Section 5(b)(ii) (Force Majeure Event). Section 5(a)(ii)(2), Section 5(a)(iii), Section 5(a)(v), Section 5(a)(vi) and Section 5(b)(ii) are also not applicable to the Interest Rate Swap Counterparty. Neither CCCFA nor the Interest Rate Swap Counterparty is required to pay any termination payment or other similar amount upon an early termination of the Interest Rate Swap.

The Interest Rate Swap also contains Additional Termination Events that will occur (a) upon any amendment, supplement or modification to the Indenture that materially adversely affects the priority of or security for CCCFA's obligation to make payments under the Interest Rate Swap and (b) automatically upon the occurrence of an early termination of the Prepaid Energy Sales Agreement.

Morgan Stanley PESA Guarantee

The payment obligations of MSES under the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley under the Morgan Stanley PESA Guarantee.

DEBT SERVICE REQUIREMENTS

Set forth in the following table are the Debt Service requirements on the Bonds, giving effect to the fixed interest rates payable by CCCFA under the Interest Rate Swap, in each bond year during the Initial

Interest Rate Period, excluding the Purchase Price of the Bonds that mature on [FINAL MATURITY DATE][*] that is payable on the Mandatory Purchase Date ([MANDATORY PURCHASE DATE][*]).

YEAR ENDING [MARCH 1]	PRINCIPAL AMOUNT	INTEREST	TOTAL
TOTAL			

[1.] As of the Mandatory Purchase Date, $_____ principal amount of the Bonds will remain outstanding, and the Bonds outstanding are required to be purchased pursuant to mandatory tender.

DESIGNATION OF BONDS AS GREEN BONDS

Green Bonds Designation

Per the International Capital Market Association ("*ICMA*"), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel has determined that the Bonds are in conformance with the four core components of the ICMA Green Bond Principles, as described in Kestrel's Second Party Opinion, which is attached hereto as APPENDIX F.

Independent Second Party Opinion on Green Bonds Designation and Disclaimer

For over 20 years, Kestrel has been consulting in sustainable finance. Kestrel is an Approved Verifier accredited by the Climate Bonds Initiative. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds. Second Party Opinions provided by Kestrel are not a recommendation to any person to purchase, hold, or sell the Bonds and designations do not address the market price or suitability of these bonds for a particular investor and do

[*] Preliminary; subject to change.

not and are not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by CCCFA or the Project Participant, or that was otherwise made available to Kestrel.

THE PREPAID ENERGY SALES AGREEMENT

Purchase and Sale

Under the Prepaid Energy Sales Agreement, the Energy Supplier agrees to deliver Prepaid Energy during the Delivery Period and CCCFA has agreed to make a lump sum advance payment to the Energy Supplier for all of the cost of the Prepaid Energy to be delivered during the Delivery Period. The total quantity of expected Prepaid Energy to be delivered by the Energy Supplier during the initial Delivery Period is approximately [___] million* MWh and is subject to change as described below under the subheading "*Aggregate Quantity*" below.

For discussion of the Contract Price, see "THE POWER SUPPLY CONTRACT — *Pricing Provisions*."

Delivery of Prepaid Energy

Assigned Energy. All Assigned Energy delivered under the Prepaid Energy Sales Agreement shall be Scheduled for delivery to and receipt at the delivery point specified in the applicable Assignment Agreement (an "*Assigned Delivery Point*"). Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement. At the start of the Delivery Period, the Project Participant will assign the Initially Assigned PPA, as described under "– *Assignment of Power Purchase Agreements*" below, for delivery of Assigned Energy equal to the Prepaid Energy required to be delivered by the Energy Supplier during the term of such assignments.

Base Energy. If the Assigned Quantities for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to remarket Base Energy under the terms of the Prepaid Energy Sales Agreement. ***Base Energy is not expected to be delivered during the Initial Reset Period.***

Title. Title to and risk of loss of the Energy delivered under the Prepaid Energy Sales Agreement shall pass from the Energy Supplier to CCCFA at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Energy shall be set forth in the applicable Assignment Agreement.

Aggregate Quantity. The aggregate quantity of Energy to be delivered during the term of the Delivery Period varies based on the quantities of Prepaid Energy that CCCFA has agreed to deliver to the Project Participant under the Power Supply Contract. The aggregate average quantity of Monthly Projected Quantities under the Prepaid Energy Sales Agreement during the Initial Reset Period is approximately [_____]* MWh. The average monthly quantity of electricity is preliminary and subject to adjustment at the time of the sale of the Bonds, based upon the amount of proceeds received by CCCFA.

* Preliminary; subject to change.

Assignment of Power Purchase Agreements

Concurrent with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant expects to enter into the Initial Assignment Agreement relating to the Initially Assigned PPA. Under the Initial Assignment Agreement, the Project Participant will assign the Initial Assigned Rights and Obligations to MSCG for redelivery of EPS Compliant Energy to the Energy Supplier. The Assigned Energy during the Initial EPS Energy Period will be delivered from a portfolio of carbon free resources that includes hydroelectric power from specified asset controlling suppliers in the states of Washington and Oregon. The Initially Assigned PPA allows for MSCG to add additional carbon free resources, upon written notice to the Project Participant in order to meet the guaranteed minimum delivery obligations thereunder.

Upon any EPS Energy Period terminating or expiring, or any subsequent Assignment Agreement being entered into, the Prepaid Energy Sales Agreement and the Power Supply Contract include provisions to recalculate Assigned Quantities and quantities of Base Energy. As such, upon a replacement of the Assigned Rights and Obligations under an Assigned PPA, the quantities of Base Energy may be reduced as provided in the Prepaid Energy Sales Agreement. Quantities of Base Energy may also be revised to reflect any Replacement Assigned Rights and Obligations.

Failure to Deliver or Receive Energy

Assigned Product. Neither CCCFA nor the Energy Supplier shall have any liability or other obligation to one another for any failure to Schedule, receive, or deliver Assigned Product, except as described under the subheading "*— Provisional Payments and Energy Remarketing*."

Base Energy. The Energy Supplier will remarket any Base Energy that otherwise would be delivered under the Prepaid Energy Sales Agreement as described under the subheading "*— Provisional Payments and Energy Remarketing*."

Provisional Payments and Energy Remarketing

Assigned Quantities. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Average Price minus any applicable Provisional Payment Fee for the relevant Hourly intervals during any EPS Energy Period (any such payment, a "*Provisional Payment*"). To the extent that the Energy Supplier makes one or more Provisional Payments to CCCFA in any Contract Year and the Annual Quantity is not delivered in full within the applicable Contract Year, such Provisional Payment will be deemed a remarketing and treated as a purchase by the Energy Supplier for its own account (at a price equal to the average price of such Provisional Payments) and such purchase will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of any such sale within twelve months of the first day of the Month prior to the Month in which CCCFA or the Project Participant receives the proceeds of such remarketing sale, MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or other Municipal Utilities.

Base Quantities. In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. If the Project Participant is not in default under the Power Supply Contract, then:

- MSES shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price;

- the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy; and

- to the extent the Project Participant has not remediated the proceeds of such sales within twelve months, MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or other Municipal Utilities.

If the Project Participant (a) is in default under the Power Supply Contract or (b) does not require or is unable to receive all or any portion of the Energy purchased by Buyer under this Agreement as a result of (i) the Project Participant's decreased Energy requirements, (ii) decreased demand by the Project Participant's retail customers such that it has insufficient demand for Prepaid Quantities or (iii) EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement, then:

- MSES is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy first to Municipal Utilities for a Qualifying Use, and if unable to remarket such quantities for Qualifying Use, then MSES shall sell such quantities in a nonprivate business sale; and

- to the extent MSES cannot remarket such quantities to Municipal Utilities for a Qualifying Use, it is required to purchase such quantities for its own account.

MSES shall pay to CCCFA the proceeds of any sales to Municipal Utilities or non-private business sales, and to the extent MSES purchases quantities for its own account MSES shall pay CCCFA an amount based on the applicable index price for such quantities; provided any such amounts payable by MSES shall not be less than the Contract Price.

Remarketing Non-Default Termination Event

MSES is required to use Commercially Reasonable Efforts to remarket Base Energy first in Qualifying Sales and next in non-private business sales. If MSES is unable to remarket Base Energy required to be remarketed under the Prepaid Energy Sales Agreement in Qualifying Sales or in non-private business sales, it will purchase such Base Energy for its own account.

If after two years there are remaining remarketing proceeds from sales to purchasers other than Municipal Utilities or other qualified users, such balance will count against either (i) a limit equivalent to a quantity of Energy, in MWh, equal to $15 million divided by a fixed price per MWh under the Prepaid Energy Sales Agreement (or such higher amount determined in an opinion of Bond Counsel) or (ii) a limit

of 10% of the total original quantity of Energy to be delivered under the Prepaid Energy Sales Agreement (or such higher amount determined by Bond Counsel), depending on the status of the purchaser at the time the proceeds are received by CCCFA. Both limits apply in the aggregate over the term of the Prepaid Energy Sales Agreement. Once either limit has been exceeded, a Remarketing Non-Default Termination Event will be deemed to have occurred and the Prepaid Energy Sales Agreement will terminate automatically on the 90th day after such event unless CCCFA and MSES (a) (i) agree to reduce the daily quantity of energy purchased for one or more subsequent months, (ii) take the actions necessary to remediate the necessary amount of the Bonds pursuant to their redemption provisions, and (iii) deliver to the Trustee amendments to the Prepaid Energy Sales Agreement, Power Supply Contract and CCCFA Commodity Swaps reflecting the corresponding reduction in Energy quantities, an amendment to the Interest Rate Swap reflecting the reduction in notional amounts thereunder in each subsequent month as a result of such partial redemption of the Bonds, as well as revisions to certain schedules of the Indenture, an accountant's verification, an Opinion of Bond Counsel to the effect that, among other matters, the Bonds constitute the valid and binding limited obligations of CCCFA and a Rating Confirmation, or (b) Bond Counsel otherwise provides an opinion that such event has not affected the tax-exempt status of the interest on the Bonds. The limits described above are mandated by certain tax requirements and are subject to increase based on revised tax requirements as well as any bond remediations undertaken by CCCFA outside of a termination of the Prepaid Energy Sales Agreement.

Payment Provisions

The prepayment from CCCFA to MSES will be due prior to the inception of the term of the Prepaid Energy Sales Agreement. To the extent any other amount becomes due to MSES thereunder, such amount will be due to MSES on or before the later of (i) the 25th day of the month following the month in which such amount accrues or (ii) the 10th day following CCCFA's receipt of a billing statement (or if such day is not a Business Day, the following Business Day). To the extent that any other amount becomes due to CCCFA thereunder (for example, as a result of remarketing or failure to deliver by MSES), such amount will be due to CCCFA on or before the later of (i) the 22th day of the month following the month in which such amount accrues, or (ii) the 10th day following MSES's receipt of a billing statement (or if such day is not a Business Day, the preceding Business Day).

Force Majeure

Each of CCCFA and MSES are excused from their respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement to the extent prevented by Force Majeure. MSES is required to pay to CCCFA the Contract Index Price with respect to any Base Energy not delivered due to Force Majeure.

The "Contract Index Price" is the Day-Ahead Market Price or Real-Time Market Price for the delivery point specified in the Prepaid Energy Sales Agreement. Base Energy is not expected to be delivered during the Initial Reset Period.

Assignment

Neither party may assign its rights or obligations under the Prepaid Energy Sales Agreement without the other party's consent except:

(a) pursuant to the Indenture, CCCFA may, without the consent of MSES, transfer, sell, pledge, encumber or assign the Prepaid Energy Sales Agreement to the Trustee in connection with any financing or other financial arrangements; *provided* that CCCFA may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, CCCFA also assigns the CCCFA Commodity Swaps and CCCFA Custodial Agreements to the same assignee; and

(b) with the prior written consent of CCCFA, not to be unreasonably withheld, MSES may assign the Prepaid Energy Sales Agreement to an affiliate of MSES; *provided* that (i) the Morgan Stanley PESA Guarantee continues to apply to the obligations of such assignee or (ii) the assignee provides CCCFA with a parent guarantee and a Rating Confirmation, which assignment constitutes a novation; and *provided* that MSES may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, MSES also assigns the MSES Commodity Swaps and the MSES Custodial Agreements to the same assignee.

CCCFA has certain rights to cause MSES to novate the Prepaid Energy Sales Agreement as of the commencement of a new Reset Period upon the satisfaction of certain conditions. Upon any such novation, neither MSES nor Morgan Stanley will have any obligations (contingent or otherwise) or be required to make any payment under any of the transaction documents described above, the Morgan Stanley PESA Guarantee or otherwise, other than obligations that would have existed or payments that would have been required (or guaranteed) had the Prepaid Energy Sales Agreement terminated as of the end of the last Reset Period that commenced prior to such novation (the "*Assignment Payment*").

Termination

CCCFA will have the right to designate an Early Termination Date under the Prepaid Energy Sales Agreement prior to the expiration of the term under the following circumstances:

- MSES's failure to pay when due any amounts owed to CCCFA pursuant to the Prepaid Energy Sales Agreement within two Business Days after receiving notice of a late payment, unless Morgan Stanley has made such payment under the Morgan Stanley PESA Guarantee;
- MSES's insolvency or bankruptcy;
- any representation or warranty made by MSES in the Prepaid Energy Sales Agreement is proven to have been incorrect in any material respect when it was made;
- any interpretation, enactment or change or amendment to any governmental approval or law occurring after the effective date of the Prepaid Energy Sales Agreement that results or would result in the performance of any obligation of MSES to deliver energy or CCCFA to receive energy under the Prepaid Energy Sales Agreement being prohibited or unlawful; or
- the Interest Rate Swap is terminated by CCCFA.

MSES will have the right to designate an Early Termination Date under the Prepaid Energy Sales Agreement prior to the expiration of the term under the following circumstances:

- CCCFA's failure to pay when due any amounts owed to MSES within five Business Days after receiving notice of a late payment;
- CCCFA's insolvency or bankruptcy;
- any representation or warranty made by CCCFA in the Prepaid Energy Sales Agreement is proven to have been incorrect in any material respect when it was made;
- any interpretation, enactment or change or amendment to any governmental approval or law occurring after the effective date of the Prepaid Energy Sales Agreement that results or would result in the performance of any obligation of MSES to deliver energy or CCCFA to receive energy under the Prepaid Energy Sales Agreement being prohibited or unlawful;
- if the Project Participant makes a Remarketing Election for a Reset Period; or
- if the Power Supply Contract has been terminated or is otherwise no longer in effect.

An "Early Termination Date" under the Prepaid Energy Sales Agreement will occur automatically prior to the expiration of the term under the following circumstances:

- the failure to replace, within 120 days, either a CCCFA Commodity Swap or the related MSES Commodity Swap if such CCCFA Commodity Swap is terminated for any reason or termination occurs automatically under such CCCFA Commodity Swap as a result of an event of default or a termination event thereunder;
- the failure to replace, within 120 days, an MSES Commodity Swap or the related CCCFA Commodity Swap if such MSES Commodity Swap is terminated by the relevant Commodity Swap Counterparty or termination occurs automatically under such MSES Commodity Swap as a result of certain events of default or termination events in respect of MSES thereunder;
- designation by MSES of an early termination date under the Interest Rate Swap;
- a Failed Remarketing has occurred;
- both (a) Morgan Stanley has delivered a termination notice of the Morgan Stanley PESA Guarantee, and (b) no novation of the Prepaid Energy Sales Agreement has been effected (as described under "THE PREPAID ENERGY SALES AGREEMENT — *Assignment*") prior to the end of the Initial Reset Period or the then-current Reset Period during which such termination notice was delivered, in which case the Prepaid Energy Sales Agreement will terminate as of the end of the Initial Reset Period or the then-current Reset Period, as applicable;
- the Morgan Stanley PESA Guarantee ceases to be in full force or effect or is declared to be null and void or Morgan Stanley contests the validity or enforceability of the Morgan

Stanley PESA Guarantee; *provided* that, for avoidance of doubt, no such event will occur as a consequence of Morgan Stanley becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding; or

- the occurrence of a Remarketing Non-Default Termination Event (as described under "THE PREPAID ENERGY SALES AGREEMENT — *Remarketing Non-Default Termination Event*" above) and (a) CCCFA and MSES fail to take the remedial actions required by the Prepaid Energy Sales Agreement and (b) CCCFA has not received an Opinion of Bond Counsel to the effect that such event has not affected the tax-exempt status of the Bonds, in each case within 90 days after the Remarketing Non-Default Termination Event has occurred.

Upon the occurrence of an Early Termination Date for any reason, the Delivery Period shall end and the obligations of MSES and CCCFA to deliver and take Energy will terminate, and MSES will be required to pay a scheduled Termination Payment to CCCFA on the Early Termination Payment Date. The Early Termination Payment Date will be (i) in the case of an Early Termination Date due to a Failed Remarketing, the last Business Day of the Initial Interest Rate period, and (ii) in each other case, on the last Business Day of the month that commences after the Early Termination Date.

Termination Payment

As described above, if the Prepaid Energy Sales Agreement is terminated before the expiration of its stated term for any reason, MSES will be required to pay a scheduled Termination Payment to CCCFA. The Termination Payment schedule is generally based on the unamortized portion of the prepayment proceeds that were received by MSES. See APPENDIX I for a schedule showing the amount of the Termination Payment that would be due by month during the Initial Interest Rate Period.

Morgan Stanley PESA Guarantee

MSES's payment obligations under the Prepaid Energy Sales Agreement are unconditionally guaranteed by Morgan Stanley under the Morgan Stanley PESA Guarantee.

The Morgan Stanley PESA Guarantee will expire or terminate, as applicable, on the earliest of (i) [_____, 20__], being the last day of the Delivery Period under the Prepaid Energy Sales Agreement, (ii) the earlier termination of the Prepaid Energy Sales Agreement, and (iii) the last day of the Initial Reset Period or any Reset Period if Morgan Stanley delivers a termination notice to CCCFA, *provided that* the Morgan Stanley PESA Guarantee will continue in full force and effect with respect to MSES's accrued payment obligations under the Prepaid Energy Sales Agreement. An election by Morgan Stanley to terminate the Morgan Stanley PESA Guarantee (without a novation of the Prepaid Energy Sales Agreement and certain other contracts as described under "THE PREPAID ENERGY SALES AGREEMENT — *Assignment*") is an automatic non-default Termination Event under the Prepaid Energy Sales Agreement as of the end of the Initial Reset Period or the then-current Reset Period and will result in the extraordinary mandatory redemption of the Bonds as described under "THE BONDS — *Redemption — Extraordinary Mandatory Redemption*."

Receivables Purchase Provisions

Pursuant to the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement, MSES has agreed to purchase from CCCFA the rights to payment of net amounts owed by the Project Participant under the Power Supply Contract (previously defined as the "*Put Receivables*"). CCCFA is required to sell and MSES is required to purchase Put Receivables under the circumstances described below.

Upon a payment default by the Project Participant under the Power Supply Contract, CCCFA shall put to MSES and MSES shall purchase Put Receivables with a face value equal to the amount of the non-payment by the Project Participant. CCCFA shall exercise its put option by delivering notice (the "*Put Option Notice*") to MSES on the Business Day immediately following the date on which the relevant payment default occurs. The Put Option Notice shall include a description of the Put Receivables (including aging information and face amount of the Put Receivables) to be sold to MSES.

THE RE-PRICING AGREEMENT

CCCFA and MSES will enter into the Re-Pricing Agreement which provides for the determination of Reset Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds. The Initial Reset Period under the Prepaid Energy Sales Agreement and the Power Supply Contract begins on [_____] 1, 2024 and ends on the last day of [_____] 20[__][*]. The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period set forth in the Indenture, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period.

The debt service requirements on the Bonds for each Reset Period will not be known until the interest rate on the Bonds has been determined for such Reset Period. The Power Supply Contract includes provisions for the adjustment of the Energy sales price for each Reset Period so as to provide Revenues sufficient to enable CCCFA to meet the debt service requirements on the Bonds during each Reset Period. Accordingly, the Re-Pricing Agreement further provides for the calculation of the amount of the Available Discount (in US Dollars per MWh) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

Under the Power Supply Contract, in the event that the Available Discount for any Reset Period is less than the Minimum Discount specified in the Power Supply Contract (which includes both monthly discounts and any annual refunds), the Project Participant may elect not to take its Contract Quantities of Energy during the Reset Period, and to have such Energy remarketed for the duration of the Reset Period (a "*Remarketing Election*") by giving notice of such election to CCCFA, the Energy Supplier and the Trustee. Any Energy that is covered by a Remarketing Election will be remarketed in accordance with the provisions of the Indenture and the Prepaid Energy Sales Agreement. In the event that the Project Participant makes Remarketing Elections with respect the Energy to be delivered during a Reset Period, MSES will have the right to terminate the Prepaid Energy Sales Agreement by notice to CCCFA. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*" and "— *Termination*."

[*] Preliminary; subject to change.

THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY

Set forth below is certain information regarding the Energy Supplier, MSCG and Morgan Stanley that has been obtained from such persons and other sources believed to be reliable. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Energy Supplier, MSCG or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.

MSES. The Energy Supplier is an indirect, wholly-owned subsidiary of Morgan Stanley. The FERC has granted the Energy Supplier market-based rate authorization for wholesale sales of electric energy, capacity and ancillary services. The Energy Supplier is not registered with the CFTC in any capacity, does not engage in swap dealing activities, and does not provide advisory or structuring services relating to swaps. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, the Interest Rate Swap and the MSES Commodity Swaps are guaranteed by Morgan Stanley as described herein.

MSCG. MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC.

Morgan Stanley. Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S., and its principal offices in London, Tokyo, Hong Kong and other world financial centers. Morgan Stanley's principal executive offices are at 1585 Broadway, New York, New York 10036, and its telephone number is (212) 761-4000.

The senior unsecured long-term debt of Morgan Stanley is rated "A1" by Moody's, "A-" by S&P, and "A+" by Fitch.

Morgan Stanley has provided the Morgan Stanley PESA Guarantee to CCCFA pursuant to which it guarantees the Energy Supplier's payment obligations under the Prepaid Energy Sales Agreement and the Interest Rate Swap. Morgan Stanley has also provided the Morgan Stanley Commodity Swap Guarantees to the Commodity Swap Counterparties pursuant to which it guarantees the Energy Supplier's payment obligations to the Commodity Swap Counterparties under the MSES Commodity Swaps. Under no circumstance is the Energy Supplier or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.

THE POWER SUPPLY CONTRACT

General

Under the Power Supply Contract, CCCFA has agreed to sell and deliver to the Project Participant, and the Project Participant has agreed to purchase and receive from CCCFA at the delivery point, quantities of EPS Compliant Energy, which shall be comprised of Assigned Energy and other EPS Compliant Energy delivered to CCCFA by the Energy Supplier under the Prepaid Energy Sales Agreement.

The Power Supply Contract will remain in full force and effect for a primary term ending at the end of the Delivery Period under the Prepaid Energy Sales Agreement; *provided, however*, that if the Prepaid Energy Sales Agreement is terminated for any reason prior to the end of the Delivery Period, the Power Supply Contract will terminate immediately upon the effective termination date of the Prepaid Energy Sales Agreement.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO CUSTOMERS OF SJCE. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

For certain information regarding the Project Participant and SJCE, its CCA program, see APPENDIX A.

Pricing Provisions

Contract Price. For each MWh of Prepaid Energy delivered to the Project Participant, the Project Participant shall pay CCCFA the applicable Contract Price; provided that CCCFA shall owe a payment to the Project Participant to the extent that the Contract Price is negative. The "*Contract Price*" is defined in the Power Supply Contract to mean (i) for Monthly Projected Quantities, the Day-Ahead Average Price for each Hourly interval during any EPS Energy Period minus the Monthly Discount; and (ii) for any quantities in excess of the Monthly Projected Quantity and Assigned Paygo Quantities, the Day-Ahead Average Price during any EPS Energy Period. With respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Project Participant's payment obligations under the Power Supply Contract shall be satisfied by its payment of the Retained Payment Amount consistent with the terms of the Participant Custodial Agreement. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

If Base Energy is required to be delivered and remarketed pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier will use Commercially Reasonable Efforts to remarket such Base Energy at a price, net of applicable costs and expenses, not less than the Day-Ahead Market Price. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*."

Through the Clean Energy Project, the Project Participant anticipates realizing a discount to existing fixed contract prices or to market Energy prices. No assurance can be given as to the total actual discount the Project Participant will realize.

Project Administration Fee

Under the Prepaid Clean Energy Project Administration Agreement, the Project Participant is required to pay to CCCFA annually a Project Administration Fee in an amount sufficient to pay any Operating Expenses then due and for which payment has not been made from the Operating Fund.

Assignment of Power Purchase Agreements

General. Concurrently with the execution of the Power Supply Contract, the Project Participant will assign the Initial Assigned Rights and Obligations to the Energy Supplier for delivery under the Prepaid Energy Sales Agreement.

Under the terms of a letter agreement among CCCFA, the Energy Supplier, MSCG and the Project Participant (the "*Assignment Letter Agreement*"), commencing six months prior to the expiration of any EPS Energy Period, or otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, the Project Participant shall exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations under one or more Assigned PPAs, pursuant to which the Project Participant is purchasing EPS Compliant Energy either to the Energy Supplier or MSCG, subject to the consent of the Energy Supplier and MSCG thereto. For any Assigned PPA assigned to MSCG, MSCG will be obligated to sell and deliver Assigned Product it receives under all Assigned Rights and Obligations pursuant to such Assigned PPA to the Energy Supplier pursuant to the Energy Management Agreement, and the Energy Supplier will be obligated to deliver such Assigned Product to CCCFA pursuant to the Prepaid Energy Sales Agreement. See "THE CLEAN ENERGY PROJECT – *Assignment of Power Purchase Agreements by the Project Participant*."

Failure to Obtain EPS Compliant Energy. Under the Assignment Letter Agreement, to the extent an EPS Energy Period terminates or expires and the Project Participant and the Energy Supplier have been unable to obtain EPS Compliant Energy for delivery, then the Energy Supplier shall remarket the Base Energy pursuant to the Prepaid Energy Sales Agreement, the obligations of the Project Participant and the Energy Supplier described under this heading will continue to apply and the Project Participant may not make any new commitment to purchase Priority Energy during such a remarketing. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*."

Billing and Payment

Not later than 15 days following the end of the Month during the Delivery Period, CCCFA must provide a monthly billing statement of the amount due for Energy actually delivered in the previous Month. The due date for payment by the Project Participant will be the later of (i) the 22nd day of the month following the month of delivery or (ii) the 7th day following the Project Participant's receipt of the billing statement described in the preceding sentence (or if such day is not a Business Day, the preceding Business Day). If the Project Participant disputes any amounts in any billing statement, the Project Participant shall (except in the case of manifest error) nonetheless pay any amount required by the billing statement as

described above without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that the Project Participant may have; *provided*, however, that the Project Participant shall have the right, after payment, to dispute any amounts included in a billing statement or otherwise used to calculate payments due under the Power Supply Contract.

Annual Refunds

CCCFA has agreed to provide annual refunds to the Project Participant from amounts available for distribution pursuant to the Indenture. In determining the amount of such refunds, CCCFA may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate to cover anticipated costs and expenses to be incurred in the next succeeding bond year, with certain limitations.

Covenants of the Project Participant

Operating Expense. The Project Participant covenants to make the payments on its part due under the Power Supply Contract from amounts received and accrued by the Project Participant for electric power and energy and other services, facilities and commodities sold, furnished or supplied by SJCE, together with income, earnings and profits therefrom, as determined in accordance with GAAP (collectively, the "CCA Revenues"), and only from such CCA Revenues, as an operating expense of SJCE and the Project Participant shall not be required to advance any money derived from any source of income other than the CCA Revenues for the payment of any amounts due under the Power Supply Contract or for the performance of any agreements or covenants required to be performed by it under the Power Supply Contract.

The Power Supply Contract further provides that, notwithstanding anything to the contrary therein, all obligations of the Project Participant under the Power Supply Contract, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Project Participant, payable solely from CCA Revenues and do not constitute a debt of the Project Participant or the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction, and do not constitute obligations for which the Project Participant is obligated to levy or pledge any form of taxation or for which the Project Participant has levied or pledged any form of taxation.

The Project Participants further covenants in the Power Supply Contract that it will not grant any lien on or security interest in, or otherwise pledge or encumber the CCA Revenues if the terms or effect of such lien, pledge or other encumbrance results in such lien, pledge or other encumbrance having priority over the obligations of the Project Participant to pay the Contract Price.

Maintenance of Rates and Charges. The Project Participant covenants and agrees that it will establish, fix, and prescribe rates and charges for customers of SJCE in each fiscal year of the Project Participant that are reasonably estimated to yield CCA Revenues for such fiscal year sufficient to enable it to pay all amounts legally payable from CCA Revenues in such fiscal year. The Project Participant may make adjustments from time to time in such rates, fees, and charges and may make such classifications thereof as it deems necessary but shall not reduce the rates, fees, and charges then in effect unless the CCA Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements

described in the preceding sentence. The Project Participant will not be obligated to make any payments under the Power Supply Contract except from CCA Revenues.

Qualifying Use. The Project Participant agrees that it will (a) provide such information with respect to SJCE as may be requested by CCCFA in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as CCCFA may provide from time to time in order to maintain the tax-exempt status of the Bonds. Without limiting the foregoing, the Project Participant further agrees to sell or otherwise use the Energy purchased under the Power Supply Contract (a) in a "qualifying use" as defined in the applicable U.S. Treasury Regulation, (b) in a manner that will not result in any private business use of that Energy within the meaning of Section 141 of the Code, and (c) consistent with its Federal Tax Certificate (collectively, the "*Qualifying Use Requirements*").

In the event that any portion of the Project Participant's contract quantity is remarketed in a manner that does not comply with the Qualifying Use Requirements, the Project Participant agrees to exercise Commercially Reasonable Efforts to use the proceeds of such remarketing to purchase Energy (other than Priority Energy, which are described below) for use in compliance with such Qualifying Use Requirements. The Project Participant further agrees to provide monthly certificates to CCCFA and MSES with respect to the other purchases of Energy that is used in compliance with the Qualifying Use Requirements to remediate the proceeds from sales of Energy that were sold in a transaction that did not comply with the Qualifying Use Requirements.

Priority Energy. The Project Participant agrees to purchase and receive the Base Energy and Assigned Quantities to be delivered under the Power Supply Contract (a) in priority over and in preference to all other Energy available to it that are not Priority Energy; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Energy. For purposes of this covenant and during the Delivery Period, "*Priority Energy*" is generally defined in the Power Supply Contract to mean (a) Base Energy and Assigned Quantities, and (b) other Energy that the Project Participant is obligated to take under a long-term agreement that is purchased with or generated using capacity that was constructed using the proceeds of tax-exempt bonds, notes, or other obligations.

Delivery Points; Title and Risk of Loss

Assigned Energy. All Assigned Energy delivered under the Power Supply Contract shall be Scheduled at the applicable Assigned Delivery Point specified in the applicable Assignment Agreement. All other Assigned Energy will be delivered pursuant to the terms of the applicable Assignment Agreement. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Title. Title to and risk of loss of the Energy delivered under the Power Supply Contract shall pass from CCCFA to the Project Participant at the applicable Assigned Delivery Point. The transfer of title and risk of loss for Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Failure to Perform

To the extent that specified quantities of Assigned Product are not delivered to the Project Participant for reasons other than Force Majeure, the Remarketing Provisions of the Prepaid Energy Sales Agreement shall apply. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and*

Energy Remarketing." Neither the Project Participant nor CCCFA has any liability to one another for any failure to take or deliver Assigned Product, except as described in under the caption "THE POWER SUPPLY CONTRACT — *Assignment of Power Purchase Agreements*."

Remarketing of Energy

Under the Prepaid Energy Sales Agreement, in the event the Project Participant is in default under the Power Supply Contract or does not require or is unable to receive all or any portion of its Contract Quantity under the Power Supply Contract as a result of (i) the Project Participant's decreased Energy requirements, (ii) decreased demand by the Project Participant's retail customers or (iii) EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement , or if the Assigned Energy for any measurement period is not equal to or greater than the quantity of Prepaid Energy required to be delivered during such period, then the Energy Supplier is required to remarket such portion of the Contract Quantity as required under the Prepaid Energy Sales Agreement. Under the Prepaid Energy Sales Agreement, CCCFA arranges for sales through the Energy Supplier in accordance with the Remarketing Provisions in that agreement. If the Energy Supplier successfully makes such a sale or sales, CCCFA must credit against the amount owed by the Project Participant to CCCFA the amount received from the Energy Supplier, such credit not to exceed the Contract Price for the Energy so sold. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*."

Force Majeure

Except with regard to a party's obligation to make payments under the Power Supply Contract, neither party shall be liable to the other for failure to perform its obligations under the Power Supply Contract to the extent such failure was caused by an event of "*Force Majeure*."

Defaults and Termination Events

Each of the following is a default under the Power Supply Contract, among others:

(a) Any representation or warranty made by a party in the Power Supply Contract shall prove to have been incorrect in any material respect when made; and

(b) A party fails to perform, observe or comply with any covenant, agreement or term contained in the Power Supply Contract, and such failure continues for more than thirty days in the case of CCCFA, or more than fifteen days in the case of the Project Participant, following the earlier of receipt of written notice thereof or an officer of CCCFA or the Project Participant, as applicable, becoming aware of such default.

In addition, among others, each of the following is a default by the Project Participant under the Power Supply Contract:

(a) Failure by the Project Participant to pay when due any amounts owed to CCCFA under the Power Supply Contract, subject to certain grace periods; and

(b) Proceedings are instituted by or against the Project Participant seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other

similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained, in each case within thirty days of the institution or presentation thereof.

Upon the occurrence of a default by the Project Participant described in (b) above, the Power Supply Contract will automatically terminate and all amounts due to the non-defaulting party will be immediately due and payable. Upon the occurrence of the other defaults described above, the non-defaulting party may terminate the Power Supply Contract and/or declare all amounts due to it to be immediately due and payable. During the existence of a default, the non-defaulting party may exercise all other rights and remedies available to it at law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of the Power Supply Contract.

Remedies

In addition to the remedies described in the immediately preceding subsection, during the existence of any default by the Project Participant, CCCFA may suspend its performance under the Power Supply Contract and discontinue the supply of all or any portion of the Energy otherwise to be delivered to the Project Participant under the Power Supply Contract.

If CCCFA exercises its right to discontinue Energy deliveries to the Project Participant, such service may only be reinstated, as determined by CCCFA, upon (a) payment in full by the Project Participant of all amounts then due and payable under the Power Supply Contract and (b) payment in advance by the Project Participant at the beginning of each month of amounts estimated by CCCFA to be due from the Project Participant for the future delivery of Energy for such month. If the Project Participant fails to accept the Energy tendered, CCCFA has the right to sell the Energy to third parties.

In the event of any default, the non-defaulting party may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance.

Assignment

The provisions of the Power Supply Contract are binding on the successors and assigns of such contract. Neither party may assign the Power Supply Contract to another party without the prior written consent of the other party, except that CCCFA may assign its interests to secure its obligations under the Indenture; *provided* furthermore that the Project Participant shall exercise its right to terminate any applicable Assignment Agreement concurrently with the assignment of the Power Supply Contract. Prior to assigning all or any part of its interest in the Power Supply Contract, the Project Participant is required to deliver to CCCFA a written confirmation from each of the Applicable Rating Agencies, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds or written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

General

CCCFA is a joint exercise of powers authority formed pursuant to the Act and the joint powers agreement (the "*JPA Agreement*") made among those public agencies which are its members. CCCFA formed in 2021. As of the date of this Official Statement the members of CCCFA are Ava Community Energy Authority (formerly East Bay Community Energy Authority), Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy, and Silicon Valley Clean Energy Authority (each, a "*Founding Member*"), the Project Participant (the City of San José) and Pioneer Community Energy (together with any additional members which may later be added as parties to the JPA Agreement, a "*Member*" and collectively, the "*Members*").

Each of the other Members is a community choice aggregator, a public agency as defined in the Act, and operate a community choice aggregation program. All of the Members have the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs.

CCCFA was formed for, among other purposes, the purpose of financing energy prepayments which can be financed with tax advantaged bonds for the benefit of its Members.

Powers and Authority

Under the provisions of the Act, CCCFA has all of the powers common to the Members, and any and all power in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations, including: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations (a "*Prepayment Project*"). CCCFA shall have the power to issue, incur, sell and deliver bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects.

Under the provisions of the JPA Agreement and the Act, CCCFA has (among others) the following powers:

(a) to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;

(b) to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);

(c) to employ agents and employees;

(d) to acquire, manage, maintain or operate any building, works or improvements;

(e) to acquire, hold, lease or dispose of property;

(f) to incur debts (including without limitation through the issuance or incurrence of bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);

(g) to sue and be sued in its own name;

(h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;

(i) to receive, collect, invest and disburse moneys;

(j) to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

(k) to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;

(l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions; and

(m) to exercise any other power and take any other action permitted by law to accomplish the purposes of the JPA Agreement.

The JPA Agreement shall continue in full force and effect until terminated as provided in therein; *provided*, *however*, the JPA Agreement cannot be terminated while either (a) any bonds of CCCFA, including the Bonds, remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any bonds.

Governance and Management

Board of Directors. CCCFA is governed by a Board of Directors (the "*Board*") consisting of one director for each Founding Member. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA. The Board may appoint a part-time or full-time General Manager and may appoint one or more part-time or full-time Assistant General Managers. The General Manager would be responsible for the day-to-day operation and management of CCCFA. The names of the current directors of CCCFA are listed on the roster page at the front of this Official Statement.

Management. The Board has not appointed a General Manager or Assistant General Manager. CCCFA's current management team consists of Garth Salisbury as Treasurer/Controller and David Ruderman of Colantuono, Highsmith & Whatley, PC as General Counsel.

Other CCCFA Projects

CCCFA previously issued its bonds (a) on September 23, 2021 to purchase prepaid electricity from MSES which is delivered to its Members, Ava Community Energy Authority and Silicon Valley Clean

Energy Authority, (b) on November 24, 2021 to purchase prepaid electricity from Aron Energy Prepay 5 LLC, which is delivered to its Member, Marin Clean Energy, (c) on July 12, 2022 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy Authority, (d) on January 4, 2023 to purchase prepaid electricity from Aron Energy Prepay 15 LLC, which is delivered to its Member, Pioneer Community Energy, (e) on January 27, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Silicon Valley Clean Energy Authority (f) on February 23, 2023 to purchase prepaid electricity from Aron Energy Prepay 14 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (g) on June 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 16 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (h) on August 16, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy Authority, (i) on October 27, 2023 to purchase prepaid electricity from Aron Energy Prepay 22 LLC, which is delivered to it Member, Central Coast Community Energy, (h) on December 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 21 LLC, which is delivered to its Member, Marin Clean Energy, (j) on January 25, 2024 to purchase prepaid electricity from MSES, which is delivered to its Member, Silicon Valley Clean Energy Authority, and (k) on August 27, 2024 to purchase prepaid electricity from Aron Energy Prepay 41 LLC, which is delivered to its Member, Clean Power Alliance of Southern California. Each series of bonds is secured by a separate bond indenture.

CCCFA may issue future bonds to purchase prepaid electricity supplies for sale to participating municipal utilities, with the revenues from such sales pledged to the payment of such bonds. Such revenues will not be pledged, nor may such revenues be used, to pay amounts due with respect to the Bonds.

In furtherance of its corporate and public purposes, CCCFA intends to acquire and finance supplies of electricity on a prepaid basis for sale to other community choice aggregators. CCCFA is currently developing additional Clean Energy Projects under transaction and financing structures that are expected to be generally similar to the structure of the Clean Energy Project. CCCFA can give no assurance as to the timing or terms of these projects or that they will be completed. A range of factors that are outside of the control of CCCFA, including the final negotiation of transaction documents, the approval of commodity supply contracts by the prospective project participants, changes in market prices and rates, the receipt of bond ratings, and other factors could result in these transactions not being completed.

Any additional Clean Energy Projects that may be undertaken by CCCFA will be separate and distinct transactions, and the bonds issued to finance these projects will be payable solely from the commodity sales and other revenues pledged for their payment. In no event will the Revenues and Trust Estate pledged to the payment of the Bonds be used to pay any other bonds of CCCFA.

Separate Obligations

THE BONDS, PREVIOUS BONDS ISSUED BY CCCFA, ANY FUTURE BONDS THAT MAY BE ISSUED BY CCCFA AND ANY FUTURE CONTRACTS THAT CCCFA MAY ENTER INTO TO ACQUIRE ADDITIONAL ENERGY OR ELECTRICITY ARE AND WILL BE SEPARATE AND DISTINCT OBLIGATIONS OF CCCFA. ANY FUTURE BONDS OR CONTRACTS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES PLEDGED BY THE INDENTURE TO THE PAYMENT OF THE BONDS, AND THE BONDS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES DERIVED FROM ANY FUTURE PROJECT, CLEAN ENERGY PROJECT OR CONTRACT OF CCCFA.

Limited Liability

CCCFA DOES NOT HAVE THE POWER TO LEVY AD VALOREM PROPERTY TAXES. ALL BONDS ISSUED BY CCCFA ARE PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM ITS ACTIVITIES PURSUANT TO ITS STATUTORY PURPOSES AND POWERS AND IN ACCORDANCE WITH THE APPLICABLE FINANCING DOCUMENTS. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE PLEDGED PURSUANT TO THE INDENTURE.

COMMUNITY CHOICE AGGREGATORS

Establishment of Community Choice Aggregators

A CCA may be established by any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a community-wide Energy buyers' program, and by any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Joint Powers Act, provided in either case that the entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003. "Local publicly owned electric utility" means a municipality or municipal corporation operating as a "public utility" and certain municipal utility districts, public utility districts, irrigation districts, or joint powers authorities that include one or more of these agencies and that owns generation or transmission facilities or furnishes electric services over its own or its members' electric distribution systems.

Community Choice Service Model

Once a community forms or joins a CCA, the CCA is the default energy provider in that community. The CCA procures energy for customers in that community, but the investor-owned utility for that community continues to provide transmission, distribution and billing services to customers. Revenues from the sale of energy by the CCA are delivered by the investor-owned utility to the CCA as they are received over the course of the billing period.

Service Contract Requirements and Registration with the Public Utilities Commission

CCAs are required to have an operating service agreement with the applicable investor-owned utility prior to furnishing electric service to consumers within its jurisdiction. The service agreement must include performance standards that govern the business and operational relationship between the CCA and the investor-owned utility. CCAs are also required to register with the California Public Utilities Commission (the "*PUC*"), which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters. Once notified of a CCA program, the applicable investor-owned utility is required to transfer all applicable accounts to the CCA within a 30-day period from the date of the close of the utility's normally scheduled monthly metering and billing process.

Customer Participation and Opt-out Rights

Participation in a CCA is voluntary. Each local government seeking to form or join a CCA must adopt an appropriate authorizing resolution or ordinance. When a community forms or joins a CCA,

customers are given advance notice and have the choice to opt-out of the CCA program prior to or after transition to the CCA, and instead receive Energy from the applicable investor-owned utility. Customers that do not opt-out are automatically enrolled in the program. Customers that opt-out may be subject to a fee.

Regulatory Compliance

CCAs are "load-serving entities" and as such are required to comply with the renewable portfolio standards and reliability standards established by the PUC and the California Energy Commission (the "*CEC*") and file integrated resource plans and other periodic reports with the PUC and the California Energy Commission.

Cost Recovery Related to Transfer of Customers to a CCA

Although investor-owned utilities do not purchase power for CCA customers, they continue to deliver the power. Investor-owned utilities also have the obligation to provide electric service to customers that opt out of CCA service as the "provider of last resort." In order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, the PUC has established a "power charge indifference adjustment" (the "*PCIA*") applicable to CCA customers. The PCIA is calculated by taking the difference between (i) the "actual portfolio cost" related to utility's power procurement (e.g., utility-owned generation and purchased power), and (ii) the "market value of the portfolio," which is measured by the Market Price Benchmark (the "*MPB*") and the megawatt hours of generation.

The MPB is based on a PUC approved methodology for calculating the current market cost of renewables and natural gas-fueled power. If the investor-owned utility's actual portfolio cost is above-market value, the departing load customers pay their share of the difference in the form of a PCIA based on their power consumption. The amount of the PCIA applicable to a CCA customer depends on when a customer left the investor-owned utility and what the investor-owned utility's portfolio was at the time. Each departing load customer pays the assigned "vintage PCIA." For example, a customer who departed between July 1, 2019 and June 30, 2020 pays the "2019 vintage PCIA" which only includes the above market costs of pre-June 30, 2020 vintage power procured by the investor-owned utility.

In addition to PCIA charges, CCA customers are required to pay certain other "non-bypassable departing load charges", including a nuclear decommissioning charge, a public purpose charge and a cost allocation charge to pay for new resources needed for ongoing system reliability.

THE COMMODITY SWAPS

General

CCCFA has entered into the CCCFA Commodity Swaps to facilitate its ability to sell specified Energy quantities required to be delivered to the Project Participant at index prices. The CCCFA Commodity Swaps enable CCCFA to sell prepaid quantities to the Project Participant at index prices while ensuring that the net revenues from Project Participant payments and the CCCFA Commodity Swaps always equal or exceed debt service regardless of the index price of Energy at the time. Quantities, term, and delivery points for the CCCFA Commodity Swaps mirror those of the MSES Commodity Swaps.

CCCFA Commodity Swaps

Under the CCCFA Commodity Swaps, CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the notional quantities specified in the CCCFA Commodity Swaps for each month of such term. For each calendar month that the relevant floating price of Energy is greater than the fixed price specified in a CCCFA Commodity Swap, CCCFA will be obligated to pay to the applicable Commodity Swap Counterparty an amount equal to (x) the difference between the floating price and the fixed price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such month by the Energy Supplier under the Prepaid Energy Sales Agreement. If the fixed price specified in a CCCFA Commodity Swap is greater than the relevant floating price of Prepaid Energy for a month, the applicable Commodity Swap Counterparty will be obligated to pay CCCFA an amount equal to (x) the difference between the fixed price and floating price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such month by the Energy Supplier under the Prepaid Energy Sales Agreement. If the relevant floating price for a calendar month is equal to the specified fixed price, no payment will be owed by either party to the other under a CCCFA Commodity Swap.

MSES Commodity Swaps

The Energy Supplier has entered into comparable MSES Commodity Swaps with the same Commodity Swap Counterparties under which the Energy Supplier pays a fixed Energy price and receives a floating Energy price for the same notional quantities at the same pricing points. The Energy Supplier's payment obligations to the Commodity Swap Counterparties under the MSES Commodity Swaps will be guaranteed under the Morgan Stanley Commodity Swap Guarantees.

Form of Commodity Swaps and Term

Each of the Commodity Swaps has been entered into as a confirmation under a 2002 ISDA Master Agreement with certain amendments and elections under the 2002 ISDA Master Agreement that have been agreed to by the parties. Each Commodity Swap has a rolling two-month term that renews automatically upon the payment due date of each monthly net settlement amount due thereunder through the term of the Delivery Period under the Prepaid Energy Sales Agreement unless an early termination date occurs under such Commodity Swap.

Payment

For each month of scheduled deliveries and notional amounts, each party with a net obligation under a Commodity Swap (based on the relative values of the fixed price and relevant index prices) will pay that net obligation to the other party on the 25th day of the calendar month (or next Business Day) following the month to which the applicable day-ahead market prices relate.

Early Termination

General. Each of the Commodity Swaps will be subject to early termination under certain circumstances. This early termination can be triggered automatically or upon the election by the non-defaulting party or the non-affected party as described below. No settlement or other termination payment (other than previously accrued amounts) would be due to any party as a result of any early

termination of any Commodity Swap, except that if an MSES Commodity Swap is terminated for certain reasons, MSES, in addition to previously accrued unpaid amounts, shall owe the relevant Commodity Swap Counterparty a make-whole amount equal to the discounted present value of the fee a Commodity Swap Counterparty would have received for the remainder of the then-current Reset Period (a "*Termination Fee*").

Automatic Termination of CCCFA Commodity Swaps and MSES Commodity Swaps. The early termination of the Prepaid Energy Sales Agreement for any reason will result in the automatic termination of the CCCFA Commodity Swaps and the MSES Commodity Swaps; provided that, in the case of certain termination events under the Prepaid Energy Sales Agreement, MSES, in addition to previously accrued unpaid amounts, shall owe each of the Commodity Swap Counterparties a Termination Fee as described in the previous paragraph.

Automatic Termination of the CCCFA Commodity Swaps. MSES' or a Commodity Swap Counterparty's delivery of notice designating an early termination date under an MSES Commodity Swap results in the automatic termination of the related CCCFA Commodity Swap on the date specified in such notice.

Elective Termination of the CCCFA Commodity Swaps. Each of the following events of default and termination events will provide the non-defaulting party or the non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate the affected CCCFA Commodity Swap:

- the affected party's failure to pay amounts due to the other party under such CCCFA Commodity Swap if such party's failure is not remedied (a) in the case of CCCFA's failure to pay, on or before the 120th day after notice of such failure is given to CCCFA (*provided, however*, if CCCFA had rights to sell sufficient Put Receivables to avoid such payment failure and did not, for any reason, receive payment for sufficient Put Receivables to avoid such payment failure, then on the third Business Day after notice of such failure is given to CCCFA), or (b) in the case of a Commodity Swap Counterparty's failure to pay on or before the third Business Day after notice of such failure is given to such Commodity Swap Counterparty;

- a representation made by the defaulting party proves to have been incorrect or misleading in any material respect;

- if a party becomes subject to certain insolvency events and such event is not dismissed, discharged, stayed or restrained within a specified period;

- if the defaulting party or its credit support provider participates in a merger or similar business combination (or, additionally, if such party is CCCFA, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, CCCFA) and (a) the resulting, surviving, transferee or successor entity does not assume the obligations of such party or its credit support provider under such CCCFA Commodity Swap or any credit support document, (b) the benefits of any credit support document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity

of its obligations under such CCCFA Commodity Swap, or (c) in the case of CCCFA, the Trust Estate is no longer available for the satisfaction of such resulting, surviving, transferee or successor entity's obligations to the applicable Commodity Swap Counterparty under such CCCFA Commodity Swap;

- if performance or receipt of performance of such CCCFA Commodity Swap becomes illegal for either party (or any credit support provider), such party would have the right to terminate such CCCFA Commodity Swap;

- if a party becomes (or parties become) obligated to pay additional tax indemnification amounts or will receive payments that are lessened by tax indemnification amounts because of changed laws or corporate changes, including by way of merger or similar business combination, to a party, the party or parties impacted by the need for such additional payments or the receipt of reduced payments will have the right to terminate such affected CCCFA Commodity Swap;

- if the affected party participates in a merger or similar business combination and the creditworthiness of the surviving entity is materially weaker than the original party;

- any reduction in the relevant Commodity Swap Counterparty's Credit Rating below "Baa3" by Moody's or below "BBB-" by S&P, where "*Commodity Swap Counterparty's Credit Rating*" means the credit rating assigned by the applicable rating agency to such Commodity Swap Counterparty's senior, unsecured long-term debt obligations (not supported by third party credit enhancements);

- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the applicable Commodity Swap Counterparty's consent, and such Commodity Swap Counterparty notifies CCCFA (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, such CCCFA Commodity Swap and/or the related MSES Commodity Swap;

- CCCFA fails to promptly exercise its right to suspend all energy deliveries under the Power Supply Contract to the Project Participant upon the Project Participant's failure to pay when due any amounts owed to CCCFA thereunder; and

- if the Indenture is modified in breach of the relevant Commodity Swap Counterparty's consent rights under the Indenture and said amendment or modification is not rescinded or otherwise cured within ten days of the effective date thereof.

An event of default also exists for a party's failure to comply with or perform any agreement or obligation under a CCCFA Commodity Swap other than payment obligations, except that such event does not give the non-defaulting party the right to designate an early termination date pursuant to such CCCFA Commodity Swap or to assert a claim for monetary damages as a result of such event of default. Such an event of default permits the non-defaulting party to pursue such equitable remedies, including specific performance, as may be available to it.

Automatic Termination of MSES Commodity Swaps. CCCFA's or a Commodity Swap Counterparty's delivery of notice designating an early termination date under a CCCFA Commodity Swap results in the automatic termination of the related MSES Commodity Swap the such date specified in such notice.

Elective Termination of the MSES Commodity Swaps. Each of the following events of default or termination events would provide the non-defaulting party or non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate an MSES Commodity Swap:

- the defaulting party's failure to pay amounts due to the other party under such MSES Commodity Swap if such failure is not remedied within three Business Days after notice of such failure is given to such party;

- the defaulting party's failure to comply with or perform any agreement or obligation under such MSES Commodity Swap other than payment obligations if not remedied within the specified grace period;

- if MSES, the relevant Commodity Swap Counterparty or Morgan Stanley fails to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the Credit Support Annex executed as part of such MSES Commodity Swap or the applicable Morgan Stanley Commodity Swap Guarantee, as applicable (each of the Credit Support Annex and Morgan Stanley Commodity Swap Guarantees, a "*Credit Support Document*") if such failure is continuing after any applicable grace period has elapsed, or the expiration or termination of a Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect (in either case other than in accordance with their terms) prior to the satisfaction of all obligations of such party under such MSES Commodity Swap without the written consent of the other party, or MSES, the applicable Commodity Swap Counterparty or Morgan Stanley disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, any such Credit Support Document;

- a representation made by the defaulting party proves to have been incorrect or misleading in any material respect;

- subject to a threshold, any payment default or default which results in acceleration of indebtedness by the defaulting party on any indebtedness but (a) excluding with respect to Commodity Swap Counterparty deposits received in the ordinary course of its banking business the repayment of which is being disputed in good faith or contested by governmental action, and (b) including MSES's obligations under the Receivables Purchase Provisions to purchase Put Receivables;

- if a party becomes subject to certain insolvency events and such even is not dismissed, discharged, stayed or restrained within a specified period;

- if the defaulting party or its credit support provider participates in a merger or similar business combination and the resulting, surviving or transferee entity does not assume the

obligations of such party or its credit support provider under such MSES Commodity Swap or any credit support document, or the benefits of a credit support document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under such MSES Commodity Swap;

- if performance or receipt of performance of such MSES Commodity Swap becomes illegal for either party, such party would have the right to terminate such MSES Commodity Swap;

- if a party becomes (or parties become) obligated to pay additional tax indemnification or will receive payments that are lessened by tax indemnification amounts because of changed laws or corporate changes, including by way of merger or similar business combination, to a party, the party or parties impacted by the need for such additional payments or the receipt of reduced payments will have the right to terminate such MSES Commodity Swap;

- if the affected party participates in a merger or similar business combination and the creditworthiness of the surviving entity is materially weaker than the creditworthiness of the original party;

- any reduction in the applicable Commodity Swap Counterparty's Credit Rating below "Baa3" by Moody's or below "BBB-" by S&P, with "Commodity Swap Counterparty's Credit Rating" having the meaning described above under "*Elective Termination of the CCCFA Commodity Swaps*";

- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the consent of the relevant Commodity Swap Counterparty, and such Commodity Swap Counterparty notifies MSES (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, such MSES Commodity Swap and/or the related CCCFA Commodity Swap; provided that, in such case MSES, in addition to previously accrued unpaid amounts, shall owe the relevant Commodity Swap Counterparty a Termination Fee;

- MSES delivers a notice of termination designating an early termination date under an MSES Commodity Swap (which must be at least one local business day after the date of such notice), subject to the condition that the related CCCFA Commodity Swap must terminate effective as of the same date (provided that, if no other Event of Default or Termination Event has occurred with respect to the applicable Commodity Swap Counterparty, then MSES, in addition to previously accrued unpaid amounts, shall owe such Commodity Swap Counterparty a Termination Fee); and

- if the rights and obligations of MSES under the Prepaid Energy Sales Agreement are assigned to another entity and such entity's obligations under the Prepaid Energy Sales Agreement are not guaranteed by a Morgan Stanley guarantee, unless either (a) the respective Commodity Swap Counterparty consents to such assignment in writing or (b) all of such Commodity Swap Counterparty's rights and obligations under such MSES Commodity Swap are assigned and novated to another entity pursuant to such MSES

Commodity Swap; provided that, in the case of a termination due to an assignment that fails to comply with the foregoing requirements, MSES, in addition to previously accrued unpaid amounts, shall owe the applicable Commodity Swap Counterparty a Termination Fee. See "THE PREPAID ENERGY SALES AGREEMENT — *Assignment*" above.

Custodial Agreements

The Energy Supplier will enter into the MSES Custodial Agreements to administer payments under the MSES Commodity Swaps. Concurrently with the MSES Custodial Agreements, CCCFA will enter into the CCCFA Custodial Agreements to administer payments under the CCCFA Commodity Swaps. The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of a Commodity Swap Counterparty to make payments to CCCFA under the respective CCCFA Commodity Swap and mitigate risks to the Energy Supplier resulting from a failure of a Commodity Swap Counterparty to make payments to the Energy Supplier under the respective MSES Commodity Swap.

Payments made by the Energy Supplier under the MSES Commodity Swaps will be made to a custodial account maintained by the Custodian under the respective MSES Custodial Agreement. Such amounts will not be released until the Custodian has confirmed that the amount payable to CCCFA by a Commodity Swap Counterparty under the respective CCCFA Commodity Swap for such month has been paid. If a Commodity Swap Counterparty does not make a required payment under its CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that the Energy Supplier paid under the related MSES Commodity Swap (which amount is held in custody) to the Trustee for deposit in the Revenue Fund and that payment will be treated as a Commodity Swap Receipt. Additionally, if the related MSES Commodity Swap terminates, the Energy Supplier will continue to make payments to the custodial account as if such MSES Commodity Swap were still in effect until the earlier of (i) replacement of the related Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be used to ensure that CCCFA receives deposits in the Revenue Fund as described in the preceding sentence in the event that a Commodity Swap Counterparty does not make a required payment under the related CCCFA Commodity Swap.

Payments made by CCCFA under the CCCFA Commodity Swaps will be made to a custodial account maintained by the Custodian under the respective CCCFA Custodial Agreement. If MSES has instructed the Custodian to hold any scheduled payments to the applicable Commodity Swap Counterparty under a CCCFA Commodity Swap, such amounts will not be released until the Custodian has received confirmation that the amount payable to the Energy Supplier by a Commodity Swap Counterparty under the related MSES Commodity Swap for such month has been paid. If a Commodity Swap Counterparty does not make a required payment under the related MSES Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that CCCFA paid under the related CCCFA Commodity Swap (which amount is held in custody) to the Energy Supplier. Additionally, if the related CCCFA Commodity Swap terminates, CCCFA will continue to make payments to the custodial account as if such CCCFA Commodity Swap were still in effect until the earlier of (i) replacement of the related Commodity Swaps in accordance with the requirements of the Prepaid Energy

Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be withdrawn by the Custodian and paid to the Energy Supplier.

THE COMMODITY SWAP COUNTERPARTIES

Set forth below is certain information regarding the Commodity Swap Counterparties. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance are the Commodity Swap Counterparties obligated to pay any amount owed in respect of the Bonds.

The Commodity Swap Counterparties are Natixis and Royal Bank of Canada. The following information regarding Natixis and Royal Bank of Canada has been obtained from sources CCCFA believes to be reliable, but CCCFA assumes no responsibility for the content thereof.

Certain Information Regarding Natixis

Natixis is a bank and joint stock company with a Board of Directors duly organized and existing under the laws of France, with its registered office at 7, promenade Germaine Sablon, 75013 Paris, France. As of the date of this Official Statement, Natixis has a long-term issuer credit ratings of "A" (stable) from Standard & Poor's, "A1" (stable) from Moody's and "A" (stable) from Fitch.

Certain Information Regarding Royal Bank of Canada

Royal Bank of Canada ("*Royal Bank*") is a Schedule I bank under the Bank Act (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 100,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 18 million clients in Canada, the U.S. and 27 other countries.

Royal Bank had, on a consolidated basis, as at July 31, 2024, total assets of C$2,076.1 billion (approximately US$1,503.1 billion[1]), equity attributable to shareholders of C$124.4 billion (approximately US$90.1 billion1) and total deposits of C$1,361.3 billion (approximately US$985.6 billion[7]). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are

[1] As at July 31, 2024: C$1.00 = US$0.724

qualified by reference to, Royal Bank's unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended July 31, 2024.

The senior long-term debt[2] of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody's Investors Service and AA- (stable outlook) by Fitch Ratings. The legacy senior long-term debt[3] of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody's Investors Service and AA by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Official Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling 416-842-2000, or by visiting rbc.com/investorrelations.[4]

The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

CONTINUING DISCLOSURE

CCCFA. CCCFA will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board's EMMA system for municipal securities disclosures ("*EMMA*"), pursuant to the requirements of Section (b)(5) of Rule 15c2-12 ("*Rule 15c2-12*") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by CCCFA to comply with the Undertaking will not constitute an event of default under the Indenture or the Bonds and Beneficial Owners of the Bonds shall only be entitled to the remedies for any such failure described in the Undertaking. A failure by CCCFA to comply with the Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Undertaking and commitments of CCCFA described under this heading and in APPENDIX D hereto to furnish the above-described documents and information are agreements and commitments solely of CCCFA, and the Underwriter has no responsibility to ensure that CCCFA complies with any such Undertaking or commitment. In addition, the Underwriter makes no representation that any such

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[2] Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

[3] Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

[4] This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Official Statement.

documents or information will be furnished, or that any such documents or information so furnished will be accurate or complete, or sufficient for the purposes for which they may be used.

CCCFA previously entered into continuing disclosure undertakings pursuant to Rule 15c2-12. CCCFA has adopted a written policy that sets forth procedures for compliance with the federal tax and continuing disclosure requirements applicable to its bonds. The policy includes, among other things, procedures that are intended to promote CCCFA's compliance with the Undertaking.

During the five-year period preceding the date of this Official Statement, CCCFA has determined that certain financial information relating to a member for its fiscal year ending June 30, 2021 was filed late. CCCFA subsequently filed such information on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System. CCCFA has engaged BLX Group to assist with its continuing disclosure obligations.

Project Participant. Pursuant to the Power Supply Contract, the Project Participant has agreed to provide to CCCFA certain annual operating and financial information regarding SJCE which information will enable CCCFA to comply with the Undertaking. Failure of the Project Participant to provide such information is not a default under the Power Supply Contract, but any such failure entitles CCCFA to take such actions and to initiate such proceedings as shall be necessary to cause the Project Participant to comply with its undertaking as set forth in the Power Supply Contract.

LITIGATION

There are no legal proceedings pending against CCCFA relating to the issuance, sale or delivery of the Bonds which could adversely affect the Clean Energy Project. In addition, there is no litigation pending or, to the knowledge of CCCFA, threatened against or affecting CCCFA or in any way questioning or in any manner affecting the validity or enforceability against CCCFA of the Bonds, the Power Supply Contract, the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the CCCFA Commodity Swaps, the Debt Service Account Investment Agreement, the Custodial Agreements, the Indenture, or the pledge of the Trust Estate under the Indenture.

The Project Participant reports that there is no litigation pending, with service of process having been accomplished, or, to its knowledge, threatened against it questioning or in any manner affecting the validity or enforceability of the Power Supply Contract.

FINANCIAL STATEMENTS

CCCFA's audited financial statements for the fiscal year ended December 31, 2023 are available on EMMA, and are hereby incorporated into this Official Statement.

Pursuant to the Undertaking described under "CONTINUING DISCLOSURE" above, CCCFA has agreed to file its audited financial statements commencing with its audited financial statements for its fiscal year ended December 31, 2024, on EMMA. CCCFA has also agreed to file the audited financial statements of SJCE commencing with SJCE's audited financial statements for its fiscal year ended June 30, 2024, on EMMA.

MUNICIPAL ADVISORS

PFM Financial Advisors LLC ("*PFM*") has served as municipal advisor to CCCFA and the Project Participant in connection with the Clean Energy Project and the Bonds. Among other responsibilities, PFM has provided advice and recommendations to CCCFA and the Project Participant with respect to the structure, timing, terms of and similar matters relating to the Bonds, bond market conditions, costs of issuance and other matters relating to the Bonds and the Clean Energy Project. PFM has also provided advice and recommendations to CCCFA, and has served as CCCFA's "qualified independent representative," with respect to the CCCFA Commodity Swaps and the Interest Rate Swap. PFM has reviewed this Official Statement, but has not audited, authenticated or otherwise verified the information set forth herein, and makes no guaranty, warranty or representation with respect to the accuracy and completeness of the information contained in this Official Statement.

Public Resources Advisory Group, Inc. ("*PRAG*") has served as municipal advisor to the Project Participant in connection with the Clean Energy Project and the Bonds. Among other responsibilities, PRAG has provided advice and recommendations to the Project Participant with respect to the structure, timing, terms of and similar matters relating to the Bonds, bond market conditions, costs of issuance and other matters relating to the Bonds and the Clean Energy Project. PRAG has reviewed this Official Statement, but has not audited, authenticated or otherwise verified the information set forth herein, and makes no guaranty, warranty or representation with respect to the accuracy and completeness of the information contained in this Official Statement.

The fees of PFM and PRAG are contingent upon the sale and delivery of the Bonds, and are based, in part, on the proceeds of the Bonds.

UNDERWRITING

Pursuant to the purchase contract relating to the Bonds between CCCFA and Morgan Stanley & Co. LLC, as the underwriter of the Bonds, Morgan Stanley & Co. LLC has agreed, subject to certain conditions to purchase the Bonds from CCCFA at an aggregate purchase price of $_____ (representing the principal amount of the Bonds, plus original issue premium of $_____ , less Underwriter's discount of $_____). The obligation of Morgan Stanley & Co. LLC to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract. The Underwriter is obligated to purchase all the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by Morgan Stanley & Co. LLC. The Underwriter has no obligations other than those that are set forth in the purchase contract. The payment of the Bonds is not guaranteed by Morgan Stanley & Co. LLC.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC (together with its affiliates) is a full service financial institution engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making,

brokerage and other financial and non-financial activities and services. Morgan Stanley & Co. LLC and its affiliates have provided, and may in the future provide, a variety of these services to CCCFA and to persons and entities with relationships with CCCFA, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, Morgan Stanley & Co. LLC and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of CCCFA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with CCCFA. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriter is not acting as financial or municipal advisor to CCCFA in connection with the Bonds or the offering or sale of the Bonds.

CERTAIN RELATIONSHIPS

The Energy Supplier, which is also the Receivable Purchaser, the Interest Rate Swap Counterparty and a party to the MSES Commodity Swaps, is a wholly-owned indirect subsidiary of Morgan Stanley. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, the MSES Commodity Swaps and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley. The Underwriter of the Bonds, Morgan Stanley & Co. LLC, is also a wholly-owned subsidiary of Morgan Stanley.

Neither the Energy Supplier, nor Morgan Stanley has guaranteed or is responsible for the payment of the Bonds. The obligations of the Energy Supplier and, by virtue of the Morgan Stanley Guarantees, Morgan Stanley are limited to those set forth in the Prepaid Energy Sales Agreement, the MSES Commodity Swaps, the Interest Rate Swap and the Debt Service Account Investment Agreement (if the Energy Supplier or an affiliate is the Investment Agreement Provider). Neither the Energy Supplier nor Morgan Stanley takes any responsibility for the information set forth in this Official Statement other than the information relating to the Morgan Stanley Guarantees set forth under the captions "INTRODUCTION — *Morgan Stanley Guarantees*," "THE PREPAID ENERGY SALES AGREEMENT — *Morgan Stanley PESA Guarantee*," "THE INTEREST RATE SWAP —*Morgan Stanley PESA Guarantee*," and "THE COMMODITY SWAPS — *MSES Commodity Swaps*," and under the heading "THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY."

RATING

Moody's Investors Service, Inc. has assigned a municipal bond rating of "__" to the Bonds.

CCCFA has furnished to each rating agency that is expected to rate the Bonds certain information, including information not included in this Official Statement, about CCCFA and the Bonds. Generally, a rating agency bases its ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold

securities. There is no assurance that a rating, once obtained, will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Bonds. CCCFA has not undertaken any responsibility after issuance of the Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. CCCFA has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of CCCFA, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. CCCFA has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend CCCFA or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which CCCFA legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax

issues, may affect the market price for, or the marketability of, the Bonds, and may cause CCCFA or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

APPROVAL OF LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel. A complete copy of the proposed form of the opinion of Bond Counsel is contained in APPENDIX E to this Official Statement.

Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel; for the Project Participant by Anzel Galvan LLP, as Disclosure Counsel; for the Energy Supplier by its counsel, Sheppard, Mullin, Richter & Hampton LLP; and for Morgan Stanley & Co. LLC, the underwriter of the Bonds, by Chapman and Cutler LLP. Payment of fees and expenses of Bond Counsel, Disclosure Counsel, counsel to the Energy Supplier and Morgan Stanley & Co. LLC are contingent upon the sale and delivery of the Bonds.

CCCFA will receive an opinion from the City Attorney of the City of San José on the date of original delivery of the Bonds, to the effect that the Power Supply Contract has been duly authorized, executed and delivered by the Project Participant and constitutes the legal, valid and binding obligation of the Project Participant enforceable in accordance with its terms. The enforceability of the Power Supply Contract may be limited by or subject to applicable bankruptcy, insolvency, moratorium, reorganization, other laws affecting creditors' rights generally and by general principles of equity, public policy and commercial reasonableness.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, estimates or forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material. This Official Statement is not to be construed as a contract or agreement between CCCFA and the purchasers or owners of the Bonds.

The delivery of this Official Statement has been duly authorized by the Board of Directors of CCCFA.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Chair

APPENDIX A

THE PROJECT PARTICIPANT

CITY OF SAN JOSÉ

The information in this Appendix A is presented as general background information regarding the City of San José, the Project Participant, and San José Clean Energy, the City's community choice aggregation program. The Bonds do not constitute general obligations or indebtedness of California Community Choice Financing Authority ("CCCFA"), the Members, the City of San José, the State of California or any political subdivision of the State of California. The Bonds are special, limited obligations of CCCFA payable solely from and secured solely by the Trust Estate, in the manner and to the extent provided for in the Indenture. Capitalized terms used but not defined in this Appendix A have the meanings given to such terms in the forepart of this Official Statement.

The City maintains a number of websites. However, the information presented on the City's websites is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience.

General

The City of San José (the "City") is a charter city that has operated under a council-manager form of government since 1916. The City is the oldest city in the State of California (the "State"), developing from a Spanish pueblo established in 1777, and is the county seat of Santa Clara County (the "County"). The City encompasses approximately 180 square miles, in the Santa Clara Valley at the southern tip of San Francisco Bay, approximately 48 miles south of San Francisco and 40 miles south of Oakland. As of January 1, 2024, the City's estimated population totaled approximately 970,000, making the City the third most populous city in the State and the thirteenth most populous in the United States.

The City has transformed from the agricultural setting of its early years into the largest city in the Silicon Valley. Silicon Valley is a region in the Southern San Francisco Bay Area of Northern California which serves as a global center of high technology, innovation, and social media. Silicon Valley corresponds roughly to the geographical Santa Clara Valley. Silicon Valley is home to many of the world's largest technology companies, including Adobe Systems, Inc., Apple Inc., Cisco Systems, Inc., eBay, Inc., Google, Inc., Hewlett-Packard, IBM, Intel Corporation, Intuit Inc., LinkedIn, McAfee Corp., Meta Platforms, Inc., Netflix, Inc., PayPal Holdings, Inc., and Zoom Video Communications, Inc. Retail, professional, high-tech manufacturing, electronic assembly, and service businesses all have a presence in the City.

The San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (the "MSA"), which includes the City, has a large concentration of high-tech employment. According to the California Employment Development Department, as of March 2023, there were approximately 210,000 workers in high-tech employment (including workers in computer electronics manufacturing and information) in the MSA out of a total civilian employment level of approximately 1 million.

San José Clean Energy ("SJCE") is the community choice aggregation program of the City and a "community choice aggregator" ("CCA") as defined in Section 331.1 of the Public Utilities Code of the State, as amended (the "Public Utilities Code"). SJCE was established by the City in 2017 to support the City's transition to clean energy and provide its residents and businesses local control over electricity prices,

resources, and quality of service, as further described herein. SJCE is administered by the City's Energy Department and its financial activities are recorded in the SJCE enterprise fund of the City. For a general description of CCAs in California, see the section "COMMUNITY CHOICE AGGREGATORS" in the forepart of this Official Statement.

The City is committed to achieving the goals in the Paris Climate Accord and adopted Climate Smart San José, a community wide greenhouse gas reduction climate action plan. The City has also adopted a goal to be carbon neutral by 2030, 15 years ahead of the State's goal of 2045. The City's Pathway to Carbon Neutrality by 2030 includes recommended strategies and supporting actions to accelerate Climate Smart San José and put the City on a course to carbon neutrality by 2030. SJCE, which aims to provide 75% renewable energy by 2030, 87% renewable energy by 2040, and 100% renewable energy by 2050, plays a critical role in enabling the City of San José to meet its decarbonization targets.

SJCE is assisting the City to make progress towards the City's climate goals by providing an increasingly clean power mix. Since launching retail electric service in 2018, the City has contracted for over 1 gigawatt ("GW") of new renewable energy generation and battery storage to meet its carbon reduction and reliability goals and to reduce electricity costs for SJCE's customers. Through SJCE, the City is also pursuing local municipal priorities like consumer equity and affordability by adopting lower rates for disadvantaged customers and designing community-based programs that increase disadvantaged communities' access to renewable energy and electrification.

Formation and History of SJCE

General. SJCE was formed by the City Council of the City (the "City Council") in May 2017 pursuant to Title 26, Community Energy, of the City's Municipal Code ("Title 26"). SJCE was formed with the goals of providing clean, reasonably priced and reliable electricity to residents and businesses in the City and providing the community with a choice in their electricity provider. SJCE was also formed to provide the City with a tool to meet its renewable energy, energy efficiency, and ultimate greenhouse gas emission reduction goals. The formation of SJCE was made possible by the passage of California Assembly Bill 117 ("AB 117") in 2002. AB 117 allows cities, counties and other qualifying governmental entities available within the service areas of investor-owned utilities ("IOUs"), to purchase and/or generate electricity for residents and businesses within their jurisdiction. CCAs determine the source of electricity offered, set customer rates for energy, retain revenue, and determine spending priorities locally.

Under California Public Utilities Commission ("CPUC") designations, like all CCAs, the City is a "load-serving entity" ("LSE") and is therefore required to comply with a number of requirements of the CPUC intended to ensure the reliability of electric service in the State. See "– California Renewable Portfolio Standards and Other Regulations." SJCE does not provide transmission, distribution, metering or billing services. Transmission, distribution, metering and billing services are provided by Pacific Gas and Electric Company ("PG&E"), the incumbent IOU in the City. For these continued services, PG&E charges SJCE customers the same delivery rates as other PG&E customers. SJCE customers make payments to PG&E, and PG&E remits the SJCE portion of payments to SJCE every business day.

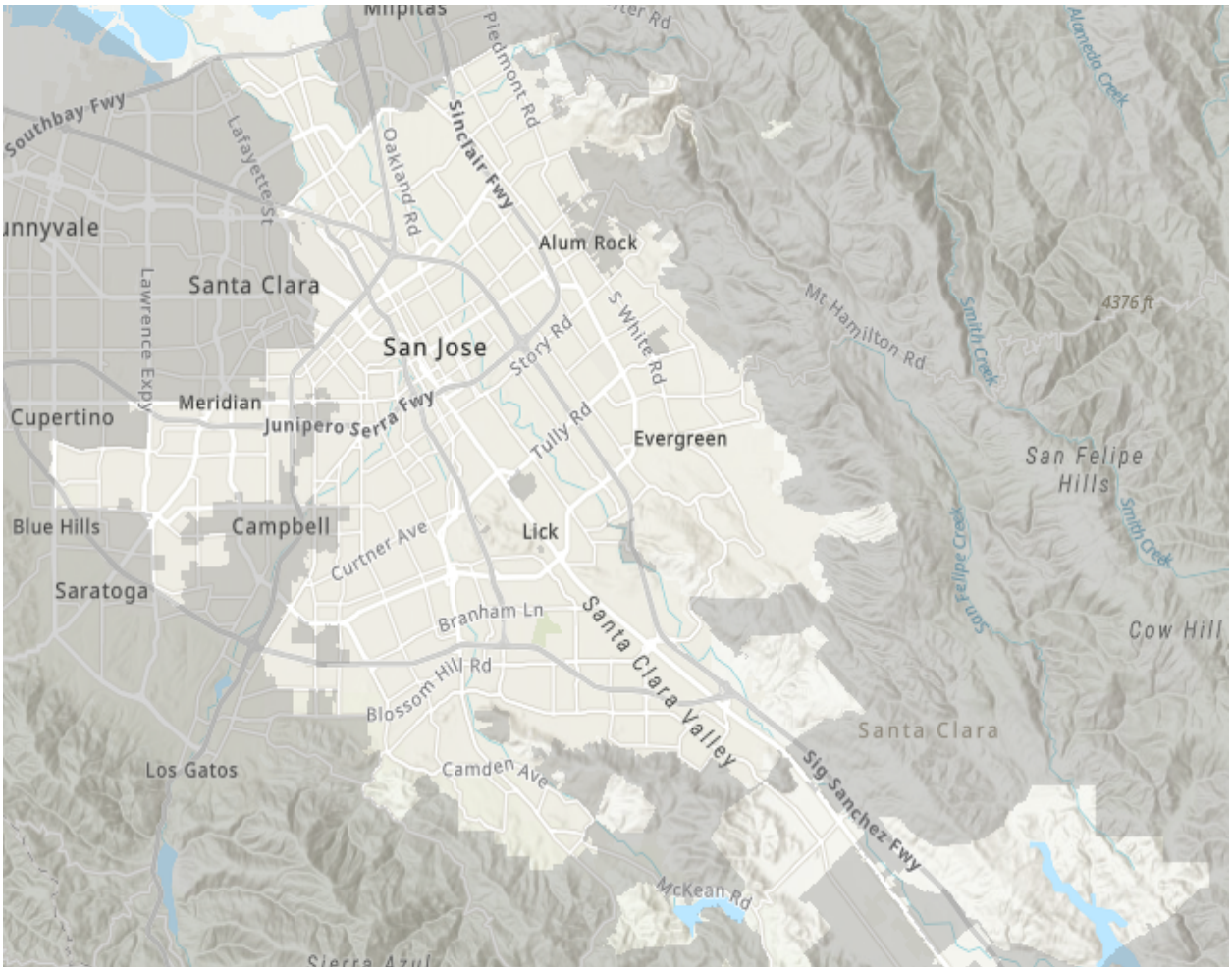
Commencement of Service and Expansion. SJCE launched over the course of three phases. The first phase began in September 2018 with electric generation service to City facilities (consisting of City of San José accounts). The second phase launched in February 2019 with service expanding to residential and large commercial accounts. The third phase launched in June 2019 with service expanding to small commercial customers. Accordingly, the fiscal year ("Fiscal Year") ended June 30, 2020 was SJCE's first full operating year. In 2020, SJCE commenced providing service to rooftop solar residential accounts and, in 2024, SJCE expanded to include residents living in affordable housing units and those deemed to be at significant risk of disconnection.

In January 2021, SJCE became a member of California Community Power ("CC Power"), a newly formed joint exercise of powers authority currently consisting of several CCAs, including SJCE. CC Power allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals. In May 2024, the City became a member of CCCFA, a joint exercise of powers authority separate and apart from CC Power. See "CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY" in the forepart of this Official Statement.

Service Area

SJCE's service area consists of the jurisdictional boundaries of the City, which totals approximately 180 square miles. As of June 30, 2024, SJCE provides energy to more than 350,000 residential and non-residential SJCE accounts within the City limits. The City's general boundaries and location are shown on the following map.

City of San José
Service Area Map



Source: City of San José.

Governance and Management

City Council. The City adopted a charter in 1965 (as amended, the "Charter"). As a charter city, the City has the power to make and enforce all laws and regulations in respect to municipal affairs, subject only to such restrictions and limitations as may be provided in the Charter and in the Constitution of the State of California. In matters other than municipal affairs or in matters of statewide concern, the City is subject to State law. The form of municipal government established by the Charter is known as a "Council-Manager" form of government. Revisions to the Charter require voter approval.

The City Council consists of a Mayor and ten other council members. The Mayor is elected at large for a four-year term. Council members are elected by district for staggered four-year terms. The Mayor and the council members are limited to two consecutive four-year terms. Under the Charter, the Mayor recommends policy, program, and budget priorities to the City Council, which in turn approves policy direction for the City. The City Manager is appointed by the City Council and serves as the chief administrative officer of the organization responsible for the administration of all City departments, offices, and agencies of the City, day-to-day operations, and implementation of Council policies. In addition to the City Manager, the City Attorney, City Clerk, City Auditor, are appointed by and report directly to the City Council.

Management. As a program of the City, SJCE is subject to the requirements of the City's Municipal Code, including Part 46 of Chapter 2.04 of Title 2, Part 63 of Chapter 4.80, and Title 26; and is governed by the City Council. The City Manager and the Director of the Energy Department have overall responsibility for managing SJCE, including its day-to-day operations, as outlined in Title 26. Among the authority outlined in Title 2 and Title 26, the City Manager and the Director of the Energy Department have broad authority to negotiate and enter into agreements on behalf of the City for the purchase and sale of "power products" (within the meaning of Title 26) including energy with a term of 10 years or less without City Council approval.

The Climate Advisory Commission (the "CAC") is an eleven-member advisory body formed by the City Council in January 2024. The CAC replaced the former Clean Energy Community Advisory Commission, a public advisory committee previously formed by the City to provide input on SJCE's operations. Each CAC member is appointed by the City Council's appointment commission for up to two 4-year terms and must be a resident of the City or a nonresident with expertise in clean energy, power planning, transportation, finance, climate science, planning and building or environmental law. The CAC's functions, powers and duties include advising and making recommendations to the City Council and the City Manager on all aspects of Climate Smart San José, with a focus on the City's Pathway to Carbon Neutrality by 2030. With respect to SJCE specifically, the CAC advises and makes recommendations to the City Council and the City Manager on SJCE's services and product offerings, its Integrated Resource Plan (which sets for the City's plans for meeting Statewide greenhouse gas emission reduction targets and other requirements), and programs.

In 2018, the City Manager established the Risk Oversight Committee (the "ROC"). The ROC consists of seven members: the City Manager or their designee, the Director of the Energy, the Director of Finance, the City Risk Manager, the Budget Director, the Energy Department's Deputy Director of Power Resources, and the Energy Department's Division Manager of Risk Management and Contracts Administration. The ROC convenes at least quarterly and is charged with advising the City Manager on how to manage and control risks associated with SJCE operations.

The Energy Risk Management Policy (as amended, the "ERMP") outlines the City's philosophies and objectives related to risk management of the SJCE program. The Energy Risk Management Regulations ("ERMR") detail the roles, strategies, controls, and authorities under the ERMP. The Energy Department

is responsible for bringing SJCE program matters before the ROC so that the ROC can evaluate whether the Energy Department is administering the SJCE program in compliance with the ERMP. See "– Sources of Energy – *Energy Load and Supply Risk Management*" for a further discussion of the ERMP and ERMR.

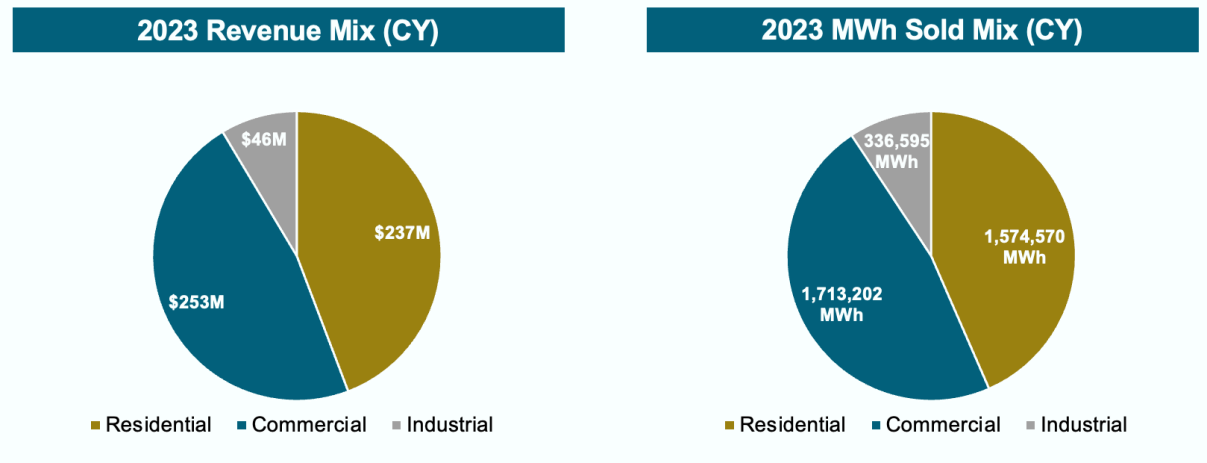
Energy Department Staff. As the administrator of SJCE, the Energy Department performs a broad range of functions, including planning, purchase and sale of power products, risk management and reporting, settlement of bills, accounting and financial reporting. The Energy Department is led by the Director of the Energy Department and is supported by other City departments, including the City's Finance Department and the City Attorney's Office, and third-party consultants and service providers.

As of June 30, 2024, the Energy Department consists of approximately 53 budgeted full time equivalent ("FTE") employees. Of the 53 FTE employees in the Energy Department, 25 full time employees are represented by the Municipal Employees' Federation and 16 are represented by the City Association of Management Personnel bargaining units. The remaining 12 full time employees are unrepresented management personnel with salary and benefits determined by the City Council. All Energy Department employees participate in the City's Federated City Employees Retirement System (the "Federated Plan"). See "– SJCE Financial Information – *Bargaining Units*" and "– *Retirement Plan*" for information regarding the Municipal Employees' Federation and the City Association of Management Personnel bargaining units, and the Federated Plan, respectively.

SJCE Customers

General. SJCE operates solely within the jurisdictional boundaries of the City of San José. Accordingly, new customers outside of its existing service area are not anticipated in the foreseeable future. SJCE provides energy to more than 350,000 residential and non-residential accounts. The following figures show SJCE's customer mix by revenue and megawatt-hour ("MWh") for calendar year 2023.

San José Clean Energy
Customer Mix By Revenue and MWh
Calendar Year 2023



Source: City of San José.

As of June 30, 2024, the mix of SJCE's customer base by number of accounts is approximately 92% residential and 8% nonresidential.

Customer Energy Choices. SJCE offers two choices of energy service, referred to as TotalGreen and GreenSource. TotalGreen is SJCE's premium service, 100% renewable and carbon free energy from solar and wind sources. GreenSource is SJCE's base service with 60% renewable energy from a mix of wind, solar, small hydroelectric and biomass/biowaste and 26% carbon free energy mix from large hydroelectric and nuclear. The remaining 14% of GreenSource energy is California grid system power, which comes from unspecified sources, such as electricity traded through open-market transactions, that is not traceable to a specific generation facility. Customers enrolled in the California Alternate Rates for Energy ("CARE") or the Family Electric Rate Assistance ("FERA") state programs are automatically enrolled into SJ Cares, which currently provides a 10% discount on the GreenSource generation charges.

Customer Enrollment. All electricity users in the City's service area are automatically enrolled in SJCE service by default upon opening an electricity account with PG&E. New customers receive a written notice, by mail and email, to notify them of enrollment, service options, and the opt-out process. The base service for SJCE customers is GreenSource. Customers may change their service after enrollment. In calendar year 2023, approximately 96% of SJCE customer load was delivered by GreenSource service, of which 13% were enrolled in SJ Cares. The remaining 4% of SJCE customer load in 2023 was delivered by TotalGreen service.

Ten Largest Customers. SJCE's ten largest customers represented 9.8% of SJCE's overall load and approximately 9.1% of 2023 annual revenues, and no one of them individually represented more than 3.0% of 2023 annual revenues. The third largest customer for calendar year 2023 opted out of SJCE service in December 2023.

Customer Election to Opt-out of SJCE Service. Customers can opt out of SJCE service and return to service with PG&E either initially upon the transition to SJCE, or at any time after SJCE becomes the energy provider. If the customer opts out before starting service with SJCE or within the first 60 days of service, they may return to SJCE at any time. If the customer opts out of SJCE after the first 60 days of service with SJCE, they are required to stay with PG&E for one year before returning to SJCE. There is no fee to opt out or to return to SJCE service. Customers may opt out at any time online, over the phone using an automated system, or over the phone with the assistance of a call center representative.

Cumulative Opt-Out Rates and Customer Retention. As shown in the table below, SJCE has experienced relatively stable opt-out rates since initial enrollment. SJCE's opt-out rates have remained stable even during the period commencing May 2021 and ending December 2022 when rates for SJCE's base service, GreenSource (inclusive of PG&E added fees), were 8% higher relative to PG&E rates. For planning purposes, the City expects opt-out rates to remain consistent with historical trends in the foreseeable future. See "– Energy Demand Forecast."

San José Clean Energy
Cumulative Opt-Out Rates

As of June 30	Opt-Out Rates
2019	1.50%
2020	1.96%
2021	2.63%
2022	3.05%
2023	2.40%
2024	2.53%

Source: City of San José.

Commencing with the fiscal year ended June 30, 2023, the City revised its methodology for calculating and reporting opt-out rates to be consistent with the approach the City believes is prevalent among CCAs in California. Under the City's previous methodology, the opt out rate for the fiscal year ended June 30, 2023 is 3.82%.

SJCE Service Rates

General. The City Council sets the rates for energy service provided by SJCE on an annual basis. SJCE's current rates for energy service, effective August 15, 2024, were set by a resolution adopted by the City Council on August 13, 2024. The rates for energy service provided by SJCE are not subject to review or approval by the CPUC or any other agency.

Determination of Rates of Energy. The City Council sets rates for SJCE customers based on a modified cost-of-service methodology. Under the modified cost-of-service methodology, SJCE determines the "cost to serve" each type of customer and allocates such cost to customers by class (e.g., residential, small commercial, medium commercial, large commercial, etc.). Electric utility costs include the cost of energy, renewable and low-carbon attributes, and capacity; California Independent System Operator ("CAISO") costs; contribution to operating reserves; and other operating costs.

Rates for energy service paid by SJCE customers include amounts for transmission and distribution of electricity established by PG&E, as well as a "power charge indifference adjustment" ("PCIA"), a franchise fee surcharge and other non-bypassable load charges imposed by the CPUC. Such charges are imposed by the CPUC to compensate IOUs for excess investments in power generation and long-term power purchase contracts resulting from the loss of customers to CCAs, which in each case are passed through on a customer's bill in the amounts established or imposed.

The PCIA paid by a customer can vary annually based on a number of market factors including benchmarks for regional energy costs, resource adequacy, the year the customer joined SJCE, and other considerations. The PCIA has historically been volatile, rising over 900% from $4.42/MWh to $44.29/MWh between 2013 and 2021, respectively. As market electricity prices rose in 2021, PG&E sold power at a higher price and had less "above market" cost to pass to SJCE customers. This resulted in a 93% decrease in the PCIA from $44.29/MWh to $3.06/MWh between 2021 and 2023, respectively.

As of January 1, 2024, PG&E's published PCIA for large commercial customers on PG&E's E-19 and B-19 rates with a PCIA vintage year of 2018 (the PCIA vintage year of the majority of SJCE's customers) is approximately $8.65 per MWh, compared to $3.06 per MWh and $23.78 per MWh as of January 1, 2023, and March 1, 2022, respectively.

Current and Historical Rates. As described above, the total cost paid by SJCE customers for energy service generally consists of the cost of SJCE to provide energy service (which varies depending on the time of usage and other factors), transmission and distribution charges imposed by PG&E, PCIA and other non-bypassable load charges imposed by the CPUC.

The following table shows the average total monthly cost for SJCE and PG&E energy service for a residential customer based on current rates effective August 15, 2024.

San José Clean Energy
Average Total Monthly Cost – Residential Customer
Rates Effective August 15, 2024[(1)]

SJCE			PG&E
TotalGreen (0.5% of accounts)	**GreenSource** (79.0% of accounts)	**SJ Cares[1]** (20.5% of accounts)	**PG&E**
100% Renewable Energy	**60% Renewable Energy**	**60% Renewable Energy**	**48% Renewable Energy**
SJCE Electric Generation $60.41	SJCE Electric Generation $56.36	SJCE Electric Generation $50.72	PG&E Electric Generation $57.44
PG&E Added Fees $4.37	PG&E Added Fees $4.37	PG&E Added Fees $4.37	PG&E Added Fees $3.73
PG&E Electric Delivery $114.91	PG&E Electric Delivery $114.91	PG&E Electric Delivery $49.86	PG&E Electric Delivery $114.91
Average Total Cost $179.68	**Average Total Cost $175.63**	**Average Total Cost $104.95**	**Average Total Cost $176.07**

(1) Amounts are based on an average monthly residential usage of 405 kWh SJCE and PG&E rates effective August 15, 2024. Usage varies by customer.
(2) Customers enrolled in the State's CARE or FERA programs are automatically enrolled in the SJ Cares program to receive a discount on SJCE charges. The SJ Cares discount is 10% off GreenSource generation charges.
Source: City of San José.

The following table shows the average total monthly cost for SJCE and PG&E energy service for a non-residential customer based on current rates effective August 15, 2024.

San José Clean Energy
Average Total Monthly Cost – Non-Residential Customer
Rates Effective August 15, 2024[(1)]

SJCE		PG&E
TotalGreen (0.5% of accounts)	**GreenSource** (99.5% of accounts)	**PG&E**
100% Renewable Energy	**60% Renewable Energy**	**48% Renewable Energy**
SJCE Electric Generation $3,791.71	SJCE Electric Generation $3,519.65	PG&E Electric Generation $3,725.05
PG&E Added Fees $278.59	PG&E Added Fees $278.59	PG&E Added Fees $237.78
PG&E Electric Delivery $4,589.39	PG&E Electric Delivery $4,589.39	PG&E Electric Delivery $4,589.39
Average Total Cost $8,659.69	**Average Total Cost $8,387.63**	**Average Total Cost $8,552.23**

(1) Amounts are based on an average monthly non-residential usage of 27,206 kWh SJCE and PG&E rates effective August 15, 2024. Usage varies by customer.
Source: City of San José.

The primary energy alternative available to residents and businesses in SJCE's service area is to opt out and return to PG&E. SJCE's rates for GreenSource service, the SJCE's base service, including the PCIA, have historically been lower than PG&E's rates except between May 2021 and December 2022 when SJCE's rates for GreenSource service were approximately 8% higher. As previously described, SJCE has experienced relatively stable opt-out rates since initial enrollment, even during periods when rates for its base service, GreenSource (inclusive of PG&E added fees), were 8% higher relative to PG&E rates. See "– SJCE Customers – *Cumulative Opt-Out Rate and Customer Retention*."

SJCE's GreenSource current rates for residential and non-residential service are approximately 1% to 3.0% lower than PG&E's rates depending on customer rate and usage. Although SJCE's generation charges are expected to be lower than PG&E's rates throughout calendar year 2024, for the period commending on February 15, 2024 and ending August 14, 2024, SJCE customers experienced an increase of approximately 7.5% in their overall generation charges compared to calendar year 2023, in part due to the increase in the PCIA from 2023. See– *Determination of Rates of Energy*" above for a discussion of the PCIA.

California Renewable Portfolio Standards and Other Regulations

General. Under CPUC designations, like all CCAs, the City is an LSE and as such is required to comply with California's Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below. These requirements are intended to ensure the reliability of electric service in the State.

Renewable Portfolio Standard. California's Renewable Portfolio Standard ("RPS") requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. California's RPS program was established in 2002 by California Senate Bill ("SB") 1078 with the initial requirement that 20% of electricity retail sales must be served by renewable resources by 2017. The program was accelerated in 2015 with SB 350 which mandated a 50% RPS by 2030. SB 350 includes interim annual RPS targets with three-year compliance periods and requires 65% of RPS procurement to be derived from long-term contracts of 10 or more years. In 2018, SB 100 was signed into law, which again increased the RPS to 60% by 2030 and requires all the State's electricity to come from carbon-free resources by 2045.

The CPUC implements and administers RPS compliance rules for California's retail sellers of electricity, which include large and small IOUs, electric service providers ("ESPs") and CCAs. The California Energy Commission is responsible for the certification of electrical generation facilities as eligible renewable energy resources and adopting regulations for the enforcement of RPS procurement requirements of publicly owned utilities.

Through SJCE, the City is meeting and exceeding the State's renewable electricity procurement requirements set forth in SB 100 and advancing San José's decarbonization goals guided by Climate Smart San José to be carbon neutral by 2030. Since SB 100 became effective on January 1, 2019, SJCE has entered into 21 long-term power purchase agreements of ten years or more for renewable power and capacity (excluding agreements relating to solar plus storage that the City has received notice may not be completed). Such agreements are comprised of diverse technologies, geographies, and characteristics, including solar plus storage, out-of-state wind, 4-hour and 8-hour battery storage, firm delivery solar, and geothermal to mitigate risk and support grid reliability. Of the 21 executed agreements, 14 agreements comply with California's RPS requirement. If all such agreements deliver power to SJCE as expected, the City is on track to be 60% renewable by the end of 2024, six years ahead of the State's deadline for this goal.

Resource Adequacy. In 2004, the CPUC adopted a Resource Adequacy ("RA") policy framework to ensure the reliability of electric service in the State. The CPUC's RA policy framework guides resource

procurement and promotes infrastructure investment by requiring that LSEs procure capacity so that capacity is available to the CAISO when and where needed. The CPUC's RA policy is implemented by the RA program, which is jointly administered by the CPUC and the CAISO, and directs LSEs to secure forward capacity and offer it into the CAISO's Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. In addition, per CPUC Decisions 19-11-016, 21-06-035, and 23-02-040, LSEs are required to procure "Incremental System Capacity," which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list respective to each Decision. In 2023, the CPUC issued two decisions ordering supplemental mid-term reliability procurement by CCAs. The "mid-term reliability" procurement orders include annual compliance targets. Non-compliance comes with the risk of penalties, which the City plans to assess in 2025. SJCE is working diligently to meet its annual targets and mitigate risk of penalties due to project delays using temporary bridge contracts with eligible resources that also satisfy RA compliance.

The CPUC enforces non-compliance with RA obligations via citations and associated financial penalties. The CPUC's LSEs are required to meet RA obligations, irrespective of price, availability, or penalties, with the limited exception of waivers under certain circumstances. The City has paid four CPUC citations assessed against the City for failing to procure RA in amounts sufficient to satisfy the City's RA obligations in 2019 ($6.8 million), 2020 ($1.1 million), 2021 ($758,000), and 2023 ($10,000). The City prioritizes full compliance with the RA requirements, however tight RA market conditions and project delays make compliance challenging in months with high peak load. Future RA deficiencies and CPUC citations against the City are possible.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure program ("PSD"), is a consumer information program managed by California Energy Commission on an annual basis. A key output of the PSD program is the Power Content Label ("PCL"). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE's energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year. The City is currently in compliance with PSD requirements.

Regulatory Compliance Support. The Energy Department's Regulatory Compliance and Policy Division functions as the liaison between SJCE and state regulatory bodies and ensures the Energy Department meets all regulatory compliance mandates. The Regulatory Compliance and Policy Division engages with key regulatory bodies such as the California Public Utilities Commission, the California Energy Commission, the California Air Resources Board, and the California Independent System Operator.

The Regulatory Division's responsibilities include monitoring regulatory proceedings, engaging in direct regulatory advocacy, preparing detailed compliance reports, fulfilling data requests, and collaborating with other divisions to support their work. Annually, the Regulatory Division monitors over 30 regulatory proceedings and prepares more than 40 compliance reports and data submissions. This Division is supported by the City Attorney's Office and external consultants and works closely with California Community Choice Association, the industry association for California community choice energy providers.

Energy Demand Forecast

The following table sets forth the City's forecast of the energy load (reflected in MWh) that SJCE's customers are projected to consume on an annual basis in the next 10 calendar years.

San José Clean Energy
Ten-Year Energy Load Forecast
Calendar Years 2025-2034

Calendar Year	Wholesale Load (MWh)	% Change
2025	4,061,833	--
2026	4,093,897	0.8%
2027	4,124,447	0.7%
2028	4,153,254	0.7%
2029	4,181,314	0.7%
2030	4,207,058	0.6%
2031	4,232,549	0.6%
2032	4,259,097	0.6%
2033	4,283,568	0.6%
2034	4,308,926	0.6%

Source: City of San José; Northern California Power Authority.

The ten-year energy load forecast was prepared by SJCE staff with the assistance of the City's Scheduling Agent, Northern California Power Authority ("NCPA"), using a stochastic model that takes into account various factors, including historical load, historic weather data, incremental load growth based on new residential permits, commercial and industrial increases in square footage, behind-the-meter energy efficiency upgrades, and increases in electrification. The forecast is based on several assumptions, including that there are no changes in the current trend of participation of customers in SJCE's service area or any substantial increases in energy consumption within SJCE's service area to support artificial intelligence computing. Many factors beyond the City's control may cause SJCE's actual energy load to differ from the forecast, including differences between such assumptions and actual experience.

Sources of Energy

General. The City uses a portfolio risk-management approach in its power purchasing program consistent with the objectives set forth in ERMP, seeking low-cost supply as well as diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. The City has a mix of short-, medium-, and long-term contracts for various power products including energy, capacity, and green attributes. As of June 30, 2024, the City had a total of 117 power purchase agreements relating to SJCE in the forward portfolio with a notional value of approximately $3.5 billion to provide energy to SJCE customer for the remainder of calendar year 2024 and through 2047.

Energy Purchases. In 2023, the City procured approximately 3.5 million MWh of carbon free electricity for SJCE customers. The City currently estimates that approximately 84% of the total energy load delivered to SJCE customers in 2024 will be sourced from renewables, large hydroelectric and nuclear energy.

The following table summarizes the energy procured by the City in the previous calendar years 2020 through 2022 to serve retail customers for SJCE service offerings as a blended average. It also shows the estimated retail load and resource mix for 2023 and 2024.

San José Clean Energy
Retail Load and Resource Mix
Calendar Years 2020-2024

Calendar Year	Retail Load (MWh)	Renewable Mix	Large Hydroelectric	Nuclear	Other Sources
2020	4,008,652	45.8%	30.9%	12.4%	10.9%
2021	3,787,868	53.3%	22.4%	22.9%	1.4%
2022	3,804,009	59.5%	7.3%	24.3%	8.9%
2023[(1)]	3,658,373	56.6%	14.6%	24.4%	4.4%
2024[(1)]	3,759,575	59.9%	9.3%	15.6%	15.2%

(1) Estimated.
Source: City of San José.

Since launching service to most San José residents and businesses in 2019, the renewable power content of SJCE's base GreenSource produce has increased from 33.9% in 2019 to 54.8% in 2023. The City anticipates increasing its renewable power content in future years to accelerate progress on its carbon neutrality goals.

Energy Load and Supply Risk Management. The City continually manages its forward load obligations and supply commitments with the objective of balancing cost stability and cost minimization, while leaving some flexibility to take advantage of market opportunities or technological improvements that may arise. The City closely monitors its open position for Portfolio Content Category 1 ("PCC 1") renewable energy according to calendar-year plans. The City's open positions with respect to renewable energy purchases increase over time, consistent with generally accepted industry practice.

The City monitors its positions on a regular basis with its power supply scheduling coordinator, Northern California Power Authority. The City uses fixed-price energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. More specifically, for the volumes and hours where the City does not have supply contracts that yield CAISO day-ahead revenue, the City uses fixed-price energy contracts where the City pays a fixed price per MWh to receive a floating price that clears for each hour. This helps hedge the City's CAISO day-ahead market price exposure because the floating price is correlated with the City's CAISO load price (PG&E's default load aggregation point). As the City procures increasing portions of fixed-price renewables with storage and fixed-price large hydroelectric and asset controlling supplier energy, the City expects to reduce its use of fixed-price unspecified energy contracts.

Procurement. The City procures energy and RA pursuant to short-, medium-, and long-term agreements consistent with the ERMP. The ERMP outlines the objectives of the SJCE program and addresses key risks arising from participation in energy markets, and provides controls to mitigate such risks. The overall goal of the ERMP is to: (i) provide as much energy supply cost certainty for SJCE's customers as possible while maintaining a least cost supply portfolio; (ii) meet the regulatory requirements and local clean energy goals, such as renewable energy content, low carbon content, and adequate capacity; and (iii) establish risk controls, contract authority limits, and procedures for the purchase and sale of power products, consistent with prudent energy risk management practices. The ERMR detail the roles, strategies,

controls, and authorities under the ERMP. The ERMR are approved annually and are subject to yearly review by an independent third-party audit firm to ensure SJCE adheres to the specific risk management practices outlined in the ERMR.

The City strives to maintain an integrated and balanced portfolio of resources to cover SJCE customers' load serving obligations, maintain the value of power supply resources to serve SJCE customers, and manage resources within its financial requirements. The Energy Department follows a diversified procurement strategy for SJCE based on hedging against risk of open load positions over time and mitigating exposure to market price volatility and other pricing risks, including the strategies previously described. Portfolio optimization tools provide the insights necessary to make procurement decisions and include an analysis of SJCE's net open position limits.

The City's procurement of energy is guided, in part, by coverage thresholds, or targets, in the ERMR for actual covered positions considering a variety of factors. Those factors include market and system conditions, such as higher risks of price spikes during the Summer and early Fall, uncertainty as to online date and expected volatility of output of long-term power purchase agreements, opportunities to take advantage of low prices from favorable hydrological conditions during the Spring, and schedules for natural gas storage reports. The coverage thresholds in the ERMR are expressed as a ratio of actual covered positions to forecasted load for the specified intervals. The City is currently in compliance with the coverage thresholds.

Further descriptions of SJCE's policies and procedures addressing energy procurement and risk management, including copies of the City's ERMP and ERMR, are available at https://sanjosecleanenergy.org. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

Energy Storage

The City has wholesale storage capacity under contract for approximately 385 megawatts ("MW") over the course of the next 10 to 20 years. The 385 MW includes co-located, hybrid and stand-alone storage. Of the 385 MW under contract, 227 MW will be paired with renewables. The City is considering additional energy storage within the current RA program framework.

SJCE Technology and Analytics; Cybersecurity

Technology and Analytics. The Energy Department's planning and procurement staff and risk management staff utilize analytical tools and models for portfolio optimization and risk management. The Energy Department is supported by the City's Information Technology ("IT") Department. The IT Department provides IT infrastructure and services including network, cybersecurity, storage, data analytics, business intelligence and collaboration tools. As the City's Scheduling Agent, NCPA manages the City's data related to power supply scheduling, control center and power portfolio management. Calpine Energy Solutions also provides customer information system management, call center, billing administration, and coordination with PG&E on behalf of SJCE.

Cybersecurity. The City relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, and sensitive information, the City is subject to cyber threats, including, but not limited to: hacking, viruses/malware, and other attacks on information and communications assets. The City has taken steps to enhance the resiliency of its systems. Those steps include the establishment of a Cybersecurity Office to coordinate cybersecurity preparation and response across City departments, adoption of administrative policies governing the use and security of the City's

information and systems assets, implementation of a Virtual Security Operations Center to provide visibility across networks, and formation of a Cybersecurity Review Committee composed of key leaders at the City that meet periodically to manage and evaluate risk relating to cybersecurity.

The City's Information Technology Department is not aware of any significant data breaches of City information or systems assets to date. No assurances can be given that any organization's cybersecurity and operational controls will be completely successful in guarding against cyber threats, cyberattacks, and/or advanced persistent threats. The results of any attack on the City's computer and information technology systems could impact its services and cause serious impairment to the City's operations. The costs of remedying any such damage could be substantial.

SJCE Financial Information

Financial Statements. The audited financial statements of SJCE as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SJCE's financial statements, are attached to this Official Statement as Appendix B.

Macias Gini & O'Connell LLP (the "Auditor") served as independent auditor to the City in connection with the financial statements of SJCE as of and for the fiscal year ended June 30, 2024. The City has not requested nor did the City obtain permission from the Auditor to include such financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of SJCE. Furthermore, the Auditor has not taken any action intended to elicit information concerning the accuracy, completeness, or fairness of the statements made in this Official Statement.

The City maintains a general fund and enterprise funds other than the SJCE enterprise, including the San José Mineta International Airport and the Wastewater Treatment System, that are not described in this Official Statement. Certain information regarding the City's activities relating to its general fund and other funds is included in the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, a copy of which is located at https://www.sanjoseca.gov/your-government/appointees/city-auditor/external-financial-audits. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

SJCE Financial Policies. The City Council has adopted various policies developed in conformity with Generally Accepted Accounting Principles and standards promulgated by the Governmental Account Standards Board, including policies that are intended to promote fiscal sustainability. With respect to SJCE specifically, the City has policies regarding operating reserves and the collection of customer invoices, which are summarized below.

Operating Reserves. The City Council has adopted policies relating to the maintenance of an operating reserve and a rate stabilization reserve in an effort to prudently manage SJCE operations in a manner that supports its long-term financial independence and stability, while providing sufficient financial capacity to meet short-term obligations.

The operating reserve policy provides for the maintenance of cash on hand in an amount equal to 180 days of operating expenditures for the then fiscal year, subject to SJCE's ability to meet operational expenditures and maintain competitive rates.

Under the rate stabilization reserve policy, prior to the end of each fiscal year and in accordance with GASB Statement No. 62, the City may defer the recognition of up to 10% of SJCE revenues from such fiscal year to future fiscal years to stabilize customer rates. SJCE revenues may be deferred for a fiscal year in which SJCE's Net Position exceeds 5% of total revenues for such fiscal year. The rate stabilization reserve policy became effective in Fiscal Year 2023-2024. For Fiscal Year 2023-2024, the City deferred the recognition of revenues totaling $50 million pursuant to the rate stabilization reserve policy. In accordance with GASB Statement No. 62, the deferred revenue is shown in SJCE's financial statements as a reduction to operating revenues and a deferred inflow of resources related to rate stabilization. See "– *Results of Operations*" and "– *Statement of Net Position*" below.

Customer Collections. The City also maintains a policy relating to the collection of customer invoices. Invoices for active customers are collected by PG&E who furnishes customers with a single bill that includes SJCE's generation charges, as well as PG&E's delivery charges. If active customer accounts fall into arrears, SJCE processes delinquent customer service returns to PG&E. Customers who close their accounts with balances due that PG&E is unable to collect within 52 days of closure are collected by SJCE directly and may be assigned to an outside collection agency.

SJCE experienced an increase in customer payment delinquencies during the fiscal years most affected by the shelter-in-place orders enacted in response to the COVID-19 pandemic (i.e. Fiscal Years 2020-2021 and 2021-2022). SJCE's customer delinquencies were approximately 1.2% of SJCE's revenues for Fiscal Year 2018-2019, compared to approximately 2.1% of SJCE's revenues for Fiscal Year 2020-2021. For Fiscal Year 2023-2024, customer payment delinquencies totaled approximately 0.6% of SJCE's revenues for such fiscal year.

Revenues from Energy Sales and Operating Expenses. SJCE's operating revenues are primarily comprised of sales of electricity to consumers. As previously described, SJCE launched over the course of three phases with Fiscal Year 2019-2020 being SJCE's first full operating year. Changes in year-over-year revenue since Fiscal Year 2019-2020 have been driven primarily by changes in rates for electricity, not by new customers since SJCE's service area is largely built out.

Other Sources of Revenue. The City also receives operating revenue relating to SJCE from other sources. Other operating revenues include customer program funding originating from CPUC-directed customer fees that are reimbursed as program expenses are incurred, as well as liquidated damages from suppliers that fail to meet delivery commitments.

Results of Operations. The following table summarizes the results of operations of SJCE for Fiscal Years 2019-2020 through 2023-2024.

San José Clean Energy
Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Years 2019-2020 through 2023-2024
(in thousands)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
OPERATING REVENUES					
Power sales, net[(1)]	$ 336,951	$ 280,388	$ 351,099	$ 513,269	$ 521,285
Less: Rate stabilization reserve[(2)]					(50,000)
Other revenues[(3)]	--	--	--	2,234	20,977
Total operating revenues	336,951	280,388	351,099	515,503	492,262
OPERATING EXPENSES					
Power purchases	285,073	275,248	313,292	364,358	389,161
Operations and maintenance	6,904	8,020	8,492	8,055	8,326
General and administrative	8,125	8,347	9,504	13,774	15,908
Amortization	--	--	--	180	180
Total operating expenses	300,102	291,615	331,288	386,367	413,575
Operating income	36,849	(11,227)	19,811	129,136	78,687
NONOPERATING REVENUES					
Program grants	--	--	4,594	3,292	755
Investment income (loss)	1,014	--	(557)	(1,315)	7,071
Unrealized gain on investment	--	--	--	--	358
Interest expense	(1,013)	(191)	(201)	(1,895)	(458)
Letter of credit fees	--	(1,055)	(985)	(715)	(1,957)
Commercial paper fees	--	--	(451)	(439)	(310)
Other revenues	--	100	--	--	--
Intergovernmental payment to City	--	(246)	(220)	(326)	(363)
Net nonoperating revenues	1	(1,392)	2,180	(1,398)	5,096
Transfers out	(767)	--	--	--	--
Change in net position	36,083	(12,619)	21,991	127,738	83,783
Net position - beginning	2,877	38,960	26,341	48,332	176,070
Net position - ending	$ 38,960	$ 26,341	$ 48,332	$ 176,070	$ 259,853

(1) Revenues from power sales decreased in Fiscal Year 2020-2021 due to reductions in SJCE customer service rates in response to increases in PCIA charges and in an effort to remain competitive with PG&E's rates.

(2) In Fiscal Year 2023-2024, the City deferred the recognition of operating revenues for such fiscal year in the amount of $50 million pursuant to SJCE's rate stabilization reserve policy and GASB Statement No. 62. See " – *SJCE Financial Policies*" above.

(3) Other operating revenues include customer program funding originating from CPUC-directed customer fees that are reimbursed as program expenses are incurred, as well as liquidated damages from suppliers that fail to meet delivery commitments.

Source: San José Clean Energy audited financial statements for the fiscal years shown.

Statement of Net Position. The following table summarizes SJCE's assets, liabilities, deferred inflows or resources and net position at June 30 of the years 2020 through 2024.

San José Clean Energy
Statement of Net Position
At June 30 of 2020 through 2024
(in thousands)

	At June 30 of the years shown				
	2020	**2021**	**2022**	**2023**	**2024**
ASSETS					
Current assets:					
Equity in pooled cash and investments held in City Treasury	$ 28,802	$ 5,020	$ 37,439	$ 165,147	$ 221,350
Receivables, net of allowance	50,698	40,749	78,232	74,668	79,699
Prepaid expenses, advances and	--	9,475	4,856	8,293	10,346
Total unrestricted current assets	79,500	55,244	120,527	248,108	311,395
Restricted assets:					
Equity in pooled cash and investments held in City Treasury	20,000	20,000	23,367	1,667	50,000
Total current assets	99,500	75,244	143,894	249,775	361,395
Noncurrent assets:					
Net pension asset	--	--	2,747	--	--
Net OPEB asset	715	1,062	1,878	1,210	1,835
Right-to-use asset (net of accumulated amortization):					
Subscription asset	--	--	--	540	360
Total noncurrent assets	715	1,062	4,625	1,750	2,195
Total assets	100,215	76,306	148,519	251,525	363,590
DEFERRED OUTFLOWS OF					
Pension related items	2,609	2,669	2,927	3,070	4,143
OPEB related items	234	454	714	1,521	1,407
Total deferred outflows of	2,303	3,123	3,641	4,591	5,550
LIABILITIES					
Current liabilities:					
Accrued cost of electricity[(1)]	--	30,982	25,238	41,607	47,818
Accounts payable[(1)]	42,853	1,877	1,347	1,045	956
Accrued salaries, wages, and payroll	237	300	382	153	270
Interest and fees payable	--	--	--	--	407
Accrued vacation, sick leave and	316	399	410	483	586
Subscription liability	--	--	--	185	190
User taxes and energy surcharges due	--	2,490	4,143	2,377	2,506
Estimated liability for self-insurance	7,907	--	--	--	--
Advances and deposits payable	858	--	1,226	105	208
Community investment pass-through	--	--	375	595	1,170
Due to CSJFA - commercial paper[(2)]	10,000	15,000	60,000	20,000	--
Unearned revenue	--	--	6,025	11,666	3,285
Total current liabilities	62,171	51,048	99,146	78,216	57,396
Noncurrent liabilities:					
Net pension liability	$ 1,156	$ 1,160	$ --	$ 529	$ 512
Subscription liability	--	--	--	391	202
Total noncurrent liabilities	1,156	1,160	--	920	714
Total liabilities	$ 63,327	$ 52,708	$ 99,146	$ 79,136	$ 58,110

San José Clean Energy
Statement of Net Position
At June 30 of 2020 through 2024
(in thousands)
(Continued)

	At June 30 of the years shown				
	2020	**2021**	**2022**	**2023**	**2024**
DEFERRED INFLOWS OF RESOURCES					
Pension related items	$ 78	$ 258	$ 3,834	$ 174	$ 333
OPEB related items	153	122	848	736	844
Rate stabilization reserve	--	--	--	--	50,000
Total deferred inflows of resources	231	380	4,682	910	51,177
NET POSITION					
Net invested in capital assets	--	--	--	(36)	(32)
Restricted for net OPEB asset	--	--	--	1,210	1,835
Restricted for debt service	20,000	20,000	20,000	--	--
Unrestricted	18,960	6,341	28,332	174,896	258,050
Total net position	$ 38,960	$ 26,341	$ 48,332	$ 176,070	$ 259,853

(1) Accrued cost of electricity at June 30, 2020 totaled $39.2 million and is presented together with other accounts payable. Commencing June 30, 2021, accrued cost of electricity is reported as a separate line item.
(2) Represents interfund loans with proceeds of lease revenue commercial paper notes issued by the City of San José Financing Authority. See *"– Other Liquidity Sources*."
Source: San José Clean Energy audited financial statements for the fiscal years shown.

Available Cash. As of June 30, 2024, SJCE had available cash on hand totaling approximately $221 million, excluding $50 million comprising SJCE's rate stabilization reserve. Cash on hand as of June 30, 2024 was equivalent to approximately 195 days (239 days taking into account cash on hand of $50 million comprising SJCE's rate stabilization reserve) of operating costs and expenses for Fiscal Year 2023-2024. See " – *SJCE Financial Policies*" above.

Pooled Cash and Investments Held in City Treasury. The City Council adopted an investment policy ("Investment Policy") on April 2, 1985, related to the City's cash and investment pool, which is subject to annual review and was most recently reviewed and amended on March 5, 2024. The Investment Policy specifically prohibits trading securities for the sole purpose of speculating or taking an un-hedged position on the future direction of interest rates. Per the Investment Policy, the investments conform to Sections 53600 et seq. of the California Government Code, and the applicable limitations contained within the Investment Policy.

The City invests SJCE's funds in accordance with the Investment Policy. According to the Investment Policy, SJCE's cash is fully invested in the City's cash and investment pool, which is diversified with investments in the State of California Local Agency Investment Fund, obligations of the U.S. Treasury or U.S. Government Agencies, time deposits, investment agreements, money market mutual funds invested in U.S. Government securities, along with various other permitted investments.

As of June 30, 2024, SJCE's share of the City's cash and investment pool totaled approximately $271 million. It is not possible to disclose relevant information about SJCE's separate portion of the cash and investment pool, as there are no specific investments owned by the SJCE enterprise fund.

Other Liquidity Sources. In 2021, the City Council and the Governing Board of the City of San José Financing Authority ("CSJFA") authorized the issuance by CSJFA of lease revenue commercial paper notes to make interfund loans to SJCE to finance the purchase of power and other operating costs of SJCE in an amount not to exceed $95 million, subject to the satisfaction of certain conditions. In 2023, the City Council and the Governing Board of CSJFA reduced the amount of notes authorized to be issued for such purpose to not to exceed $75 million. As of June 30, 2024, no interfund loans payable by SJCE to the City's General Fund were outstanding.

In 2023, JPMorgan Chase Bank, N.A. ("JPMorgan") and the City entered into a Revolving Credit Agreement (the "Credit Agreement") under which JPMorgan has committed to provide the City with a credit facility consisting of the following: (i) a $50 million line of credit for working capital and other general operational purposes of SJCE, including to purchase power products and to secure the City's payment obligations under power purchase agreements; (ii) a $100 million standby letter of credit facility under which JPMorgan may issue standby letters of credit each with a term of two years or less to secure the City's payment obligations under its power purchase agreements; and (iii) a $100 million standby letter of credit facility under which JPMorgan may issue standby letters of credit with a term of more than two years to secure the City's payment obligations under its power purchase agreements. The City's obligations under the Credit Agreement are secured by SJCE's net revenues. JPMorgan's commitment to provide such credit facilities is scheduled to expire on February 17, 2028.

Credit Rating. Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned SJCE an "A2" (stable outlook) and "A" (stable outlook) credit rating, respectively. Future events could have an adverse impact on such ratings and there is no assurance that any credit rating that is given to SJCE will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P or Moody's, if, in their judgment circumstances so warrant, nor can there be any assurance that the criteria required to achieve such ratings will not change in the future. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The City provided certain additional information and materials to S&P and Moody's (some of which does not appear in this Official Statement). The ratings assigned to SJCE by S&P and Moody's do not represent ratings assigned to the Bonds.

Bargaining Units. The majority of the full-time employees in the Energy Department are represented by the Municipal Employees' Federation and the City Association of Management Personnel bargaining units. Most employees in the City Attorney's Office are represented by the Association of Legal Professionals. The respective bargaining agreements between the City and the Municipal Employees' Federation, the City Association of Management Personnel and the Association of Legal Professionals are currently scheduled to expire on June 30, 2026.

Retirement System. All regular full-time employees of the City and certain part-time employees, with the exception of certain unrepresented employees, participate in one of the two single employer defined benefit retirement systems established pursuant to the City Charter: the Federated Plan for non-sworn employees, and the Police and Fire Department Retirement Plan for sworn employees.

With the exception of certain unrepresented employees, all regular full-time and certain part-time employees in the Energy Department and the majority of the employees in the other City departments that support SJCE participate in the Federated Plan. The following summary of the City's defined benefit retirement systems is limited to the Federated Plan because the intent of this Appendix A is to present information regarding SJCE only. However, the City has significant unfunded liabilities relating to the Police and Fire Department Retirement Plan that could increase in the future. Information regarding the Police and Fire Department Retirement Plan, including the most recent actuarial valuation report the Police and Fire Department Retirement Plan, is available at https://sjretirement.com. The reference to such web

site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

The Federated Plan provides general retirement benefits under a single employer defined benefit pension plan (the "Federated Pension Plan") and a postemployment healthcare plan (the "Federated Healthcare Plan"). The Federated Plan is administered by the Chief Executive Officer of the Office of Retirement Services, an employee of the City, who serves at the pleasure of the Board of Administration for the Federated Plan (the "Federated Plan Board"). Day-to-day operations are carried out by the City's Office of Retirement Services staff under the oversight of the Federated Plan Board.

On June 5, 2012, San José voters adopted Measure B, which enacted the Sustainable Retirement Benefits and Compensation Act ("Measure B") amending the City's Charter to reform the City's retirement benefit plans to address rising costs. Measure B was subsequently the subject of various legal challenges. In 2015, the City and certain of its bargaining units agreed to settle certain of the challenges. In 2016, the frameworks of the settlements were approved by the City voters pursuant to the Alternative Pension Reform Act ("Measure F"). In 2017, the City entered into a settlement agreement with the San José Retired Employees Association and certain named retirees. All litigation relating to Measure B has been resolved. The City's current retirement system reflects the implementation of the related settlements, including the settlement frameworks approved under Measure F.

Federated Pension Plan. The Federated Pension Plan provides general retirement benefits including pension, death, and disability benefits to members. Federated Pension Plan benefits are based on average final compensation, years of service, and cost of living increases as specified by the City Municipal Code. The contribution and benefit provisions and all other requirements are established by the City Charter and the City Municipal Code. [As of June 30, 2023, the Federated Pension Plan had a total of 10,693 members, of which 4,048 were active City employees and the remaining 6,645 were terminated vested members or in pay status members. Of the 10,693 members in the Federated Pension Plan as of June 30, 2023, 42 were Energy Department employees].

The City's and the participating employees' contributions to the Federated Pension Plan are based upon an actuarially determined percentage of each employee's pensionable and earnable salary to arrive at an actuarially determined contribution ("ADC") sufficient to provide adequate assets to pay benefits when due. The contribution requirements are established by Articles XV and XV-A of the City Charter and Title 3 of the San José Municipal Code.

The contribution rates to the Federated Pension Plan for the City and the participating employees for the fiscal year ended June 30, 2024 were based on the actuarial valuation performed as of June 30, 2022. SJCE's share of the City's contributions to the Federated Pension Plan during the fiscal year ended June 30, 2024 were approximately $3.2 million, or 1.5% of the City's total contributions to the Federated Pension Plan of approximately $218 million for such fiscal year.

In January 2024, Cheiron Inc. (the "Plan Actuary"), the actuary for the Federated Plan, prepared five-year and twenty-year projections of the City's contributions to the Federated Pension Plan based on the actuarial valuation as of June 30, 2023. According to the projections, the City's contributions to the Federated Pension Plan are expected to increase from approximately $234 million for Fiscal Year 2024-2025 to approximately $253 million for Fiscal Year 2028-2029, peaking at approximately $280 million in Fiscal Year 2036-2037 and decreasing to approximately $88 million in Fiscal Year 2043-2044. The projections assume that all valuation assumptions were exactly met since June 30, 2023, and are exactly met each and every year for the projection period. Actual experience is expected to deviate from the assumptions utilized for the projections.

The City's net pension liability as of June 30, 2024 for the Federated Pension Plan for financial reporting purposes under GASB Statement Nos. 67 and 68 is measured as the total pension liability, less the pension plan fiduciary net position as of the measurement date of June 30, 2023. The City's net pension liability for the Federated Pension Plan as of June 30, 2024 is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 and rolled forward to June 30, 2023 using standard update procedures by the actuary. At June 30, 2024, the City's net pension liability for the Federated Pension Plan totaled approximately $2 billion (on an unaudited basis), representing a decrease of approximately $15 million when compared to June 30, 2023. SJCE's proportionate share of the City's net pension liability at June 30, 2024 is $0.512million based on SJCE's share of 1.43% (compared to 1.17% at June 30, 2023).

The discount rate used to measure the total pension liability for financial reporting purposes was 6.625% for the annual actuarial valuation as of June 30, 2022. It is assumed that Federated Pension Plan members' contributions and City's contributions will be made based on the actuarially determined rates based on the funding policy of the Federated Plan Board. Based on those assumptions, the Federated Pension Plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows the market value of assets, actuarial value of assets (i.e. the value of cash, investments, and other property of the applicable plan used by the Plan Actuary)), and the City's total actuarial liability for the Federated Pension Plan as determined by the Plan Actuary, in each case as of June 30, 2022 and June 30, 2023. It also shows the City's unfunded actuarial liability ("UAL") for the Federated Pension Plan based on the market value of assets and the actuarial value of assets as of such dates. The actuarial valuation of the Federated Pension Plan as of June 30, 2023, is the most recent valuation performed of the Plan Actuary for the Federated Pension Plan available as of the date of this Official Statement.

Federated Pension Plan
Assets & Liabilities
(in millions)

	June 30, 2022	June 30, 2023	% Change
Total Actuarial Liability	$ 4,751	$ 4,966	4.5%
Market Value Assets	2,708	2,907	7.4
Actuarial Value Assets	2,710	2,890	6.7
Unfunded Actuarial Liability- MV[(1)]	2,043	2,058	0.8
Unfunded Actuarial Liability - AV[(2)]	2,041	2,076	6.7
Funded Ratio – Market Value	57.0%	58.5%	2.7
Funded Ratio – Actuarial Value	57.0%	58.2%	2.0

(1) Based on the market value of assets, which is determined using actual contributions, benefit payments and administrative expenses during the year. Any difference between this amount and the actual net investment earnings is considered a gain or loss.
(2) Based on actuarial value of assets, which is calculated by recognizing the deviation of actual investment returns compared to the expected return for the period ending on the valuation date over a five-year period.
Source: City of San José Federated City Employees Retirement System Actuarial Valuation Report as of June 30, 2023, produced by Cheiron Inc.

The following table shows the UAL and funded ratio of the Federated Pension Plan as of June 30 of the years 2014 through 2023.

Federated Pension Plan
Funding Progress
(in thousands)

Valuation Date (June 30)	Actuarial Value of Assets	Actuarial Liability	UAL	Funded Ratio[(1)]	Covered Payroll	UAL as % of Covered Payroll
2014	$ 1,911,773	$ 3,235,065	$ 1,323,292	59%	$ 234,677	564%
2015	2,004,481	3,569,898	1,565,417	56	251,430	623
2016	2,034,741	3,786,730	1,751,989	54	266,823	657
2017	2,101,435	3,923,966	1,822,531	54	287,339	634
2018	2,179,488	4,100,821	1,921,333	53	298,985	643
2019	2,228,802	4,200,708	1,971,906	53	313,310	629
2020	2,301,469	4,401,083	2,099,614	52	341,552	615
2021	2,513,095	4,562,981	2,049,886	55	359,061	571
2022	2,709,625	4,750,646	2,041,021	57	384,197	531
2023	2,889,956	4,965,668	2,075,712	58	436,391	476

(1) Rounded to the nearest whole percent.
Source: City of San José Federated City Employees Retirement System Actuarial Valuation Report as of June 30, 2023, produced by Cheiron Inc.

For the fiscal year ended June 30, 2024, SJCE recognized a negative pension expense of $0.931 million for the Federated Pension Plan.

See Note 9 to SJCE's audited financial statements as of and for the fiscal year ended June 30, 2024, included in this Official Statement as Appendix B for additional information regarding the Federated Pension Plan. Additional information regarding the Federated Pension Plan, including copies of the City of San José Federated City Employees Retirement System Actuarial Valuation Report as of June 30, 2023, produced by the Plan Actuary, is available at available at https://sjretirement.com. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

Federated Healthcare Plan. The Federated Healthcare Plan includes a trust formed under Section 115 of the Internal Revenue Code, as amended, under which all Federated Healthcare Plan benefits are paid. Generally, the Federated Healthcare Plan provides medical and dental benefits to eligible retirees and their beneficiaries. Benefits are 100% of the premium cost for the lowest priced medical insurance plan available to an active City employee, and 100% of the premium cost for a dental insurance plan available to an active City employee. [As of June 30, 2023, the Federated Healthcare Plan had a total of 7,782 members, of which 3,865 were active City employees. Of the 7,782 members in the Federated Healthcare Plan as of June 30, 2023, 8 were Energy Department employees.]

Per the terms of the settlement frameworks approved by City voters pursuant to Measure F and other litigation relating to Measure B, in Fiscal Year 2017-2018, the City established a voluntary employee benefit association plan ("VEBA") for retiree healthcare for certain members of the Federated Healthcare Plan. The City does not make contributions into the VEBA and the VEBA is not subject to the jurisdiction of the Federated Plan Board.

The annual contribution costs for the Federated Healthcare Plan benefits are allocated to both the City and the eligible active employee members. With the implementation of Measure F, member contributions are fixed as a percentage of pay and the City's contribution toward the explicit subsidy (premium subsidy) is an ADC determined by the Federated Healthcare Plan. The ADC for the Federated Healthcare Plan is the normal cost plus the amortization payment on the unfunded actuarial liability, less expected member contributions. The City has an option to limit its ADC for the Federated Healthcare Plan to a fixed percentage of the payroll of all active members of the healthcare plan.

The City pays the implicit subsidy on a pay-as-you go basis as part of active health premiums. An implicit subsidy for retiree health benefits exists because the medical experience for retirees under age 65 are pooled with the experience for active employees, thereby resulting in a lowering of the premium paid for retirees under age 65. The implicit subsidy is included in the actuarial valuation of the Federated Healthcare Plan.

SJCE's share of the City's contribution to the Federated Healthcare Plan during the fiscal year ended June 30, 2024 were $282,000, or 1.1% of the City's total contributions to the Federated Healthcare Plan of approximately $25 million (on an unaudited basis) for such fiscal year.

In January 2024, the Plan Actuary also prepared five-year projections of the City's contributions to the Federated Healthcare Plan based on the June 30, 2023 actuarial valuations. According to the five-year projections, the City's contributions to the Federated Healthcare Plan are expected to increase from approximately $20 million for Fiscal Year 2024-2025 to approximately $25 million for Fiscal Year 2028-2029. The projections assume that all valuation assumptions were exactly met since June 30, 2023, and are exactly met each and every year for the projection period. Actual experience is expected to deviate from the assumptions utilized for the projections.

The City's net OPEB liability for the Federated Healthcare Plan for financial reporting purposes under GASB Statement Nos. 74 and 75 is measured as the total OPEB liability, less the plan fiduciary net position as of the June 30, 2023 measurement date. The City's net OPEB liability as of June 30, 2024 for the Federated Healthcare Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 and rolled forward to June 30, 2023 using standard update procedures by the actuary for the plan. At June 30, 2024, the City's net OPEB liability for the Federated Healthcare Plan totaled approximately $290 million (on an unaudited basis), representing a decrease of approximately $38.8 million when compared to June 30, 2023. SJCE's proportionate share of the City's net OPEB liability at June 30, 2024 is a net OPEB asset of $1.84 million based on SJCE's share of 1.69% (compared to 1.38% at June 30, 2023).

The discount rate used to measure the total OPEB liability was 6.00% for the measurement year ended June 30, 2024 and is based on the long-term expected rate of return on investments. It is assumed that Federated Healthcare Plan member contributions remain fixed at 7.5% of pay for employees eligible to participate in the Federated Healthcare Plan and the City contributes the ADC toward the explicit subsidy up to a maximum of 14% of the total payroll. In addition, the City pays the implicit subsidy on a pay-as-you-go basis. Based on those assumptions, the Federated Healthcare Plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the Federated Healthcare Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table shows the market value of assets and the City's total actuarial liability for the Federated Healthcare Plan as determined by the Plan Actuary, in each case as of June 30, 2022 and June 30, 2023. It also shows the City's UAL for the Federated Healthcare Plan based on the market value of assets. The actuarial valuation of the Federated Healthcare Plan as of June 30, 2023, is the most recent

valuation performed of the Plan Actuary for the Federated Healthcare Plan available as of the date of this Official Statement.

Federated Healthcare Plan
Assets & Liabilities
(in millions)

	June 30, 2022	June 30, 2023	% Change
Total Actuarial Liability – Explicit Subsidy Only	$ 579,209	$ 633,973	9.5%
Market Value Assets	349,124	374,611	7.3
Unfunded Actuarial Liability – Explicit Subsidy Only	230,085	259,362	12.7
Funded Percentage – Explicit Subsidy Only	60.3%	59.1%	(1.2)
Total Actuarial Liability - Implicit	71,461	79,013	10.6
Total Unfunded Actuarial Liability	301,546	338,375	12.2
Total Funded Percentage	53.7%	52.5%	(1.2)

Source: City of San José Postemployment Healthcare Plan Actuarial Valuation Report as of June 30, 2023, produced by Cheiron Inc.

The following table shows the UAL and funded ratio of the Federated Healthcare Plan as of June 30 of the years 2014 through 2023.

Federated Healthcare Plan
Funding Progress
(in thousands)

Valuation Date (June 30)	Actuarial Value of Assets	Actuarial Liability	UAL	Funded Ratio[(1)]	Covered Payroll	UAL as % of Covered Payroll
2014	$ 199,776	$ 729,406	$ 529,630	27%	$ 234,677	226%
2015	209,761	817,673	607,912	26	251,430	242
2016	225,845	764,261	538,416	30	266,823	202
2017	248,583	630,452	381,869	39	287,339	133
2018	277,256	650,114	372,858	43	298,985	125
2019	294,489	631,752	337,263	47	299,002	113
2020	303,313	650,419	347,106	47	322,850	108
2021	384,613	662,860	278,247	58	339,546	82
2022	349,124	650,670	301,546	54	360,936	84
2023	374,611	712,986	338,375	53	409,009	83

(1) Rounded to the nearest whole percent.
Source: City of San José Postemployment Healthcare Plan Actuarial Valuation Report as of June 30, 2023, produced by Cheiron Inc.

For the fiscal year ended June 30, 2024, SJCE recognized a negative OPEB expense of $282,000.

See Note 10 to SJCE's audited financial statements as of and for the fiscal year ended June 30, 2024, included in this Official Statement as Appendix B for additional information regarding the Federated Healthcare Plan. Additional information regarding the Federated Healthcare Plan, including copies of the City of San José Postemployment Healthcare Plan Actuarial Valuation Report as of June 30, 2023, produced by the Plan Actuary, is available at available at https://sjretirement.com. The reference to such web site address is presented herein for informational purposes only. The information presented on such website is

not incorporated by reference to this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

Claims, Litigation and Other Contingencies. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; contractual delays and defaults by energy suppliers; and natural disasters. The City also has certain contingent obligations with respect to SJCE. See Note 12 to SJCE's audited financial statements as of and for the fiscal year ended June 30, 2024, included in this Official Statement as Appendix B for discussion regarding certain contingent obligations of the City with respect to SJCE.

APPENDIX B

DEFINITIONS OF CERTAIN TERMS

"*Act*" means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

"*Administrative Fee Fund*" means the fund of that name established under the Indenture.

"*Advance*" means the amounts paid to the Trustee, on behalf of CCCFA, pursuant to the Custodial Agreements.

"*Annual Quantity*" means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth in the Power Supply Contract; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under the Power Supply Contract for any given Contract Year.

"*Annual Refund*" means the annual refund, if any, provided to Purchaser and calculated pursuant to the procedures specified in Power Supply Contract.

"*Applicable Factor*" means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that CCCFA delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

"*Applicable Spread*" means, (i) for the Series 2024X-2 Bonds, the margin added to the product of the Applicable Factor and the SOFR Index as shown on the inside cover page of this Official Statement for the Series 2024X-2 Bonds, and (ii) Series 2024X-3 Bonds, the margin added to the SIFMA Index as shown on the inside cover page of this Official Statement for the Series 2024X-3 Bonds. The Applicable Spread shall remain constant for the duration of the SOFR Index Rate Period and the SIFMA Index Rate Period.

"*Assigned Delivery Point*" means the delivery point for Assigned Energy as set forth in the applicable Assignment Agreement.

"*Assigned Energy*" means any Energy to be delivered pursuant to an Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

"*Assigned Paygo Quantity*" means any Assigned Products delivered under the Power Supply Contract in excess of the Annual Quantity for any Contract Year.

"*Assigned PPAs*" means the Initially Assigned PPAs, and any future power purchase contracts assigned by the Project Participant.

"*Assigned Product*" means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement

"*Assigned RECs*" means any RECs to be delivered to MSCG or the Energy Supplier pursuant to any Assigned Rights and Obligations.

"*Assigned Rights and Obligations*" means a portion of the Project Participant's rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

"*Assignment Agreement*" mean the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"*Assignment Letter Agreement*" means that certain Letter Agreement, dated as of the date of the Prepaid Energy Sales Agreement, by and among MSCG, the Energy Supplier, CCCFA and the Project Participant.

"*Assignment Payment*" means any payment received from the Energy Supplier in connection with an assignment of the Prepaid Energy Sales Agreement to a replacement energy supplier.

"*Assignment Payment Fund*" means the Assignment Payment Fund established under the Indenture.

"*Authorized Officer*" means (a) the Treasurer/Controller of CCCFA, and (b) any other person or persons designated by the Board of Directors of CCCFA by resolution to act on behalf of CCCFA under the Indenture.

"*Base Energy*" means Firm (LD) Energy.

"*Bond Counsel*" means Orrick, Herrington & Sutcliffe LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA.

"*Bond Payment Date*" means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

"*Bond Purchase Fund*" means the fund by that name established pursuant to the Indenture, including the Remarketing Proceeds Account and the Issuer Purchase Account therein.

"*Bond Registrar*" means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by CCCFA to perform the duties of Bond Registrar under the Indenture.

"*Bondholder*" or "*Holder of Bonds*" or "*Holder*" or "*Owner*" means any Person who shall be the registered owner of any Bond or Bonds.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or the cities in which are located the designated corporate trust offices of the Trustee, the Custodian or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day that SIFMA recommends that the fixed income departments of its members be closed for the purposes of trading fixed-income securities.

"*CAISO*" means California Independent System Operator or its successor.

"*Calculation Agent*" means U.S. Bank Trust Company, National Association, as Calculation Agent for the Series 2024X-2 Bonds and Series 2024X-3 Bonds.

"*CCCFA Commodity Swaps*" means (i) the transaction confirmations entered into under the ISDA Master Agreements, dated as of the date of the Prepaid Energy Sales Agreement, by CCCFA and each of the Swap Counterparties, and (ii) each replacement CCCFA Commodity Swap entered into pursuant to the Prepaid Energy Sales Agreement.

"*Cede*" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to the Indenture.

"*CCCFA Custodial Agreements*" means (i) that certain Custodial Agreement, dated as of the Initial Issue Date, by and among Natixis, CCCFA, the Trustee and the Custodian, as the same may be amended, modified or supplemented from time to time and (ii) that certain Custodial Agreement, dated as of the Initial Issue Date, by and among Royal Bank of Canada, CCCFA, the Trustee and the Custodian, as the same may be amended, modified or supplemented from time to time.

"*Clean Energy Project*" means CCCFA's purchase of Energy pursuant to the Prepaid Energy Sales Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Prepaid Energy Sales Agreement.

"*Commercial Paper Interest Rate Period*" means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

"*Commercially Reasonable*" or "*Commercially Reasonable Efforts*" means, with respect to any purchase or sale or other action required to be made, attempted or taken by the Project Participant, CCCFA or the Energy Supplier under the Power Supply Contract or the Prepaid Energy Sales Agreement, as applicable, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

"*Commodity Swap Counterparties*" means (a) Natixis, bank and joint stock company with a Board of Directors duly organized and existing under the laws of France and (b) Royal Bank of Canada, a bank organized under the laws of Canada and any other Person that becomes counterparty to CCCFA under a CCCFA Commodity Swap or to the Energy Supplier under an MSES Commodity Swap, in each case pursuant to the Prepaid Energy Sales Agreement.

"*Commodity Swap Mandatory Termination Event*" occurs if a CCCFA Commodity Swap becomes terminable by CCCFA pursuant to Part 1(h)(ii) (failure to pay after cure period) of the respective Schedule to the ISDA Master Agreement for such Commodity Swap.

"*Commodity Swap Payment Fund*" means the Commodity Swap Payment Fund established pursuant to the Indenture.

"*Commodity Swap Payments*" means, as of each scheduled payment date specified in the CCCFA Commodity Swap, the amount, if any, payable to a Commodity Swap Counterparty by CCCFA (including any such amount paid to the Custodian pursuant to the respective CCCFA Custodial Agreement).

"*Commodity Swap Receipts*" means, as of each scheduled payment date specified in a CCCFA Commodity Swap, the amount, if any, payable to CCCFA by a Commodity Swap Counterparty.

"*Commodity Swaps*" means, collectively, the CCCFA Commodity Swaps and the MSES Commodity Swaps.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking, dated the date of the Indenture, between CCCFA and the Dissemination Agent, as the same may be amended from time to time.

"*Contract Price*" means (i) with respect to Monthly Projected Quantities, (A) the Day-Ahead Average Price for each Hourly interval during any EPS Energy Period, minus (B) the Monthly Discount; and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price during any EPS Energy Period. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

"*Contract Quantity*" means, (i) with respect to the Assigned Energy, the Annual Quantity of Assigned Energy for each Contract Year of the Delivery Period and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for any Month, as such exhibits shall be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

"*Contract Year*" means each period of 12 Months from [___] 1 until [____] [31] during the Delivery Period.

"*Cost of Acquisition*" means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing the Clean Energy Project, including:

(a) the amount of the prepayment required to be made by CCCFA under the Prepaid Energy Sales Agreement;

(b) the amount for deposit into the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of "Debt Service;"

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture;

(e) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(f) the allowance for working capital requirements of CCCFA with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by CCCFA; and

(g) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

"*CP Interest Term*" means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with the Indenture during which a CP Interest Term Rate is in effect for the Bonds of such Series.

"*CP Interest Term Rate*" means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with the Indenture.

"*Custodial Agreements*" means, collectively, the CCCFA Custodial Agreements and the MSES Custodial Agreements.

"*Custodian*" means U.S. Bank Trust Company, National Association, as Custodian under the Custodial Agreements and its successors and assigns.

"*Daily Interest Rate*" means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to the Indenture.

"*Daily Interest Rate Period*" means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

"*Day-Ahead Average Price*" means, for any Assigned Energy during any EPS Energy Periods, the weighted average Day-Ahead Market Price for each Month during the applicable EPS Energy Period, with such weighted average calculated in accordance with the Prepaid Energy Sales Agreement.

"*Day-Ahead Market Price*" means The Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"*Debt Service*" means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture;

provided that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by CCCFA under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

"*Debt Service Account*" means the Debt Service Account in the Debt Service Fund established under the Indenture.

"*Debt Service Fund*" means the Debt Service Fund established in the Indenture.

"*Debt Service Fund Agreement*" means any debt service fund agreement, that is a Qualified Investment, among the Trustee, CCCFA and a provider, or between CCCFA and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. [The initial Debt Service Fund Agreement shall be the Debt Service Account Investment Agreement between CCCFA and the Investment Agreement Provider dated _____, 2024].

"*Debt Service Fund Agreement Guaranty*" means any unconditional guaranty, in favor of CCCFA and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

"*Defeasance Securities*" means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

"*Delivered Product Payment Amount*" means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) the Monthly Projected Quantity under the relevant Assigned PPA for such Month multiplied by the Assigned Product Price (specified in Exhibit A to the Participant Custodial Agreement) for such Assigned PPA; and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivable (as defined in the Prepaid Energy Sales Agreement) that is delivered by the PPA Assignee to the Participant Custodian pursuant to Section 4(e) of the Participant Custodial Agreement; provided that, notwithstanding the foregoing, there shall be no Delivered Product Payment Amount or any other obligations of PPA Assignee with respect to quantities of Assigned Product delivered in excess of the Annual Quantity in any Contract Year.

"*Delivery Period*" means the period beginning on [___] 1, 2024 and ending on [___], 20[_] or earlier upon the Early Termination Date.

"*Delivery Point*" means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy, as set forth in the Prepaid Energy Sales Agreement.

"*Depository*" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by CCCFA as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

"*Dissemination Agent*" means that certain dissemination agent appointed by CCCFA, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by CCCFA in accordance with the Continuing Disclosure Undertaking.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors and assigns.

"*Early Termination Date*" means a date designated pursuant to the Prepaid Energy Sales Agreement upon which the Delivery Period will end and CCCFA's and the Energy Supplier's respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement will terminate.

"*Early Termination Payment Date*" means, (i) in the case of a Failed Remarketing, the last Business Day of the then-current Interest Rate Period, and (ii) in each other case, the last Business Day of the first Month that commences after the Early Termination Date.

"*Electronic Means*" means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

"*EMMA*" means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

"*Energy*" means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

"*Energy Delivery Point*" means the delivery point for Base Energy specified in the Prepaid Energy Sales Agreement.

"*Energy Management Agreement*" means that certain Energy Management Agreement, dated as of the Initial Issue Date, by and between MSCG and MSES, pursuant to which MSCG is obligated to sell and deliver Assigned Product it receives from the PPA Supplier to MSES.

"*Energy Remarketing Reserve Fund*" means the Energy Remarketing Reserve Fund in established under the Indenture.

"*Energy Supplier*" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company.

"*Energy Supplier Guaranty*" means the Morgan Stanley PESA Guarantee, as defined in the Prepaid Energy Sales Agreement.

"*EPS*" means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"*EPS Compliant Energy*" means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to the Project Participant.

"*EPS Energy Period*" means the Initial EPS Energy Period and any subsequent period established by future assignments of power purchase agreements consistent with the Assignment Letter Agreement.

"*Extraordinary Expenses*" means extraordinary and nonrecurring expenses. Termination payments under the CCCFA Commodity Swaps shall not be considered an Extraordinary Expense.

"*Failed Remarketing*" means, (a) with respect to the Bonds on the Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to the Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date.

"*Favorable Opinion of Bond Counsel*" means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by the Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

"*Final Maturity Date*" *means* with respect to the Bonds, _____.

"*Firm* (*LD)*" means, with respect to the obligation to deliver Energy, that CCCFA or the Energy Supplier shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

"*Fiscal Year*" means (a) the twelve-month period beginning on [January 1] of each year and ending on and including the next [December 31], or (b) such other twelve-month period established by CCCFA from time to time, upon Written Notice to the Trustee, as its fiscal year.

"*Fitch*" means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"*Force Majeure*" means an event or circumstance which prevents the Project Participant, CCCFA or the Energy Supplier from performing its obligations under the Prepaid Energy Sales Agreement or Power Supply Contract, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, such party, and which, by the exercise of due diligence, such party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of CCCFA's or the Project Participant's markets; (ii) CCCFA's or the Project Participant's inability economically to use or resell any Energy purchased under the Prepaid Energy Sales Agreement or Power Supply Contract, respectively; (iii) the loss or failure of CCCFA's or the Energy Supplier's supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) CCCFA's or the Energy Supplier's ability to sell the Energy at a higher price. No party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such party (or an upstream supplier with respect to the Energy Supplier or the Project Participant with respect to CCCFA) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively

prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure if it affected the Energy Supplier or CCCFA directly, then such event shall be deemed to constitute Force Majeure in respect of CCCFA or the Energy Supplier, as applicable; (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to CCCFA or the Energy Supplier, as applicable, until the earlier of (A) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs; and (III) any invocation of Force Majeure by MSES under the Prepaid Energy Sales Agreement shall constitute Force Majeure in respect of CCCFA under the Power Supply Contract.

"*General Reserve Fund*" means the General Reserve Fund established in the Indenture.

"*Government Agency*" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"*Government Obligations*" means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody's; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in the Indenture, will result in a rating on the Bonds which are deemed to have been paid pursuant to the Indenture that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that,* the Trustee shall have no responsibility for monitoring any ratings or determining whether any bond, note or other obligation is or continues to be a Government Obligation.

"*Hour*" means each 60-minute period commencing at 00:00 PPT on the first day of the Delivery Period. The term "Hourly" shall be construed accordingly.

"*Hourly Quantity*" means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth in the Prepaid Energy Sales Agreement for the Month in which such Delivery Hour occurs, as it may be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

"*Indenture*" means the Trust Indenture, dated as of _____, 2024, between CCCFA and the Trustee, as the same may be amended or supplemented from time to time pursuant to one or more Supplemental Indentures, or any other trust indenture under which refunding bonds are issued and secured.

"*Index*" means the SIFMA Index or the SOFR Index, as applicable.

"*Index Rate*" means a SIFMA Index Rate, or a SOFR Index Rate.

"*Index Rate Continuation Notice*" means a Written Notice delivered by CCCFA in the form attached to the Indenture.

"*Index Rate Period*" means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

"*Index Rate Reset Date*" means, with respect to (i) the Series 2024X-2 Bonds and Series 2024X-3 Bonds during the Initial Interest Rate Period, Thursday of each week or, if Thursday is not a Business Day, the next succeeding Business Day, and (ii) with respect to any other Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate Period (including, by way of example and not limitation, Thursday of each week, the first Business Day of each calendar month or the first Business Day of a calendar quarter).

"*Initial Assignment Agreement*" means that certain Limited Assignment Agreement by and among the Project Participant, the Energy Supplier and MSCG, as seller under the Initially Assigned PPA.

"*Initial EPS Energy Period*" means the period during which the Initial Assignment Agreement is in effect, which commences on first day of the initial Delivery Period and ends on 11:59:59 p.m. pacific prevailing time on [____].

"*Initial Interest Rate Period*" means, with respect to the Series 2024_ Bonds, the period from the Initial Issue Date to and including [LAST DAY OF INITIAL INTEREST RATE PERIOD]; provided that in the event that all of the Bonds are redeemed (or purchased in lieu of redemption) pursuant to the Indenture, the Initial Interest Rate Period shall end on and as of the day of such redemption or purchase.

"*Initial Issue Date*" means the date of initial issuance and delivery of the Bonds.

"*Initial PPA Supplier*" means Brookfield Renewable Trading and Marketing, L.P., a Delaware limited partnership.

"*Initial Reset Period*" means the period from [___] 1, 2024 until [____] [31]/[30]/[28], 20[_].

"*Interest Accrual Date*" means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day

thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

"*Interest Payment Date*" means (i) with respect to the Series 2024X-1 Bonds, each September 1 and [March 1], commencing [March 1, 20__], and (ii) with respect to the Series 2024X-2 Bonds and the Series 2024X-3 Bonds, the first Business Day of each month, commencing with the first Business Day of _____.

"*Interest Rate Period*" means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period, each as defined in the Indenture. All Bonds of a Series shall at all times bear interest in the same Interest Rate Period, and all Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

"*Interest Rate Swap*" means the ISDA Master Agreement, the Schedule thereto and the Confirmation thereunder between CCCFA and the Interest Rate Swap Counterparty, and any replacement interest rate swap agreement permitted by the Indenture.

"*Interest Rate Swap Counterparty*" means MSES.

"*Interest Rate Swap Payments*" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Interest Rate Swap Counterparty by CCCFA.

"*Interest Rate Swap Receipts*" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to CCCFA by the Interest Rate Swap Counterparty.

"*Internal Revenue Code*" means the Internal Revenue Code of 1986, as amended, including the applicable U.S. Treasury Regulations promulgated thereunder.

"*Investment Agreement Provider*" means _____.

"*Law*" means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the execution date of the Prepaid Energy Sales Agreement or at any time in the future.

"*Long-Term PCC1 Product*" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

"*Mandatory Purchase Date*" means _____, 20__.

"*Maturity Date*" means each date upon which principal of the Bonds is due, as set forth in the Indenture.

"*Maximum Lawful Rate*" means the maximum interest rate permitted by applicable law.

"*Maximum Rate*" means the lesser of 12% per annum and the Maximum Lawful Rate.

"*Minimum Discount*" has the meaning specified in the Power Supply Contract.

"*Month*" means a calendar month. The term "*Monthly*" shall be construed accordingly.

"*Monthly Excess Quantity*" means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under the Power Supply Contract in such Month exceeds the Monthly Projected Quantity for such Month.

"*Monthly Projected Quantity*" means, with respect to each Month of the Delivery Period, the quantity (in MWh) of Assigned Product for such Month as set forth in the Prepaid Energy Sales Agreement and the Power Supply Contract, as updated from time to time in accordance therewith.

"*Moody's*" means Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"*Morgan Stanley*" means Morgan Stanley, a Delaware corporation.

"*Morgan Stanley PESA Guarantee*" means a guarantee of Morgan Stanley of the Energy Supplier's payment obligations under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Interest Rate Swap.

"*MSCG*" means Morgan Stanley Capital Group Inc., a Delaware corporation.

"*MSES*" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company.

"*MSES Commodity Swaps*" means (i) the transaction confirmations, dated as of the Initial Issue Date, entered into under the ISDA Master Agreements, dated on or around such date, by the Energy Supplier and the Commodity Swap Counterparties, and (ii) each replacement the Energy Supplier Swap may enter into pursuant to the Prepaid Energy Sales Agreement.

"*MSES Custodial Agreements*" means (i) that certain Custodial Agreement, dated as of the date the Bonds are issued, by and among Natixis, the Energy Supplier, the Trustee and the Custodian, as the same may be amended, modified or supplemented from time to time and (ii) that certain Custodial Agreement, dated as of the date the Bonds are issued, by and among Royal Bank of Canada, the Energy Supplier, the Trustee and the Custodian, as the same may be amended, modified or supplemented from time to time.

"*Municipal Utility*" means any Person that (a)(i) is a "governmental person" as defined in Treasury Regulation Section 1.141-1(b) and (ii) owns an electric distribution utility (or provides Energy at wholesale to entities described in clause (i) that own such utilities) or (b) is a community choice aggregator organized under the Laws of the State of California. CCCFA may from time to time revise the definition of "Municipal Utility" under the Prepaid Energy Sales Agreement to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Energy Supplier setting forth the revised definition together with a Tax Opinion.

"*MWh*" means megawatt-hour.

"*Net Participant Shortfall Amount*" means, for any Month in which the Project Participant fails to pay the full amount due under the Power Supply Contract in time for such amount to be credited to the Revenue Fund for application pursuant to the Indenture and the full amount due by such Project Participant

is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) the Project Participant's Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) the Project Participant's Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by the Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for such Month.

"*Non-Private Business Sale*" means a sale (other than a Qualified Sale) of Energy to a "governmental person" as defined in Treasury Regulation Section 1.141-1(b) that in each case agrees in writing to not use any part of such Energy for a Private Business Use.

"*NY Federal Reserve's Website*" means the website of the NY Federal Reserve currently at http://www.newyorkfed.org, or any successor website of the NY Federal Reserve.

"*Operating Expenses*" means, to the extent properly allocable to the Clean Energy Project, (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA, which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance, allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the heading "*Flow of Funds*" in the forepart of this Official Statement, Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

"*Operating Fund*" means the Operating Fund established pursuant to the Indenture.

"*Opinion of Bond Counsel*" means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to CCCFA and delivered to the Trustee.

"*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys (who may be counsel to CCCFA) selected by CCCFA.

"*Outstanding*" when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Indenture;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture;

(d) Bonds paid or deemed to have been paid as provided in the indenture; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

"*Participant Custodial Agreement*" means that certain Custodial Agreement, dated as of the Initial Issue Date, by and among the Project Participant, CCCFA, MSES, MSCG and the Participant Custodian.

"*Participant Custodian*" means U.S. Bank Trust Company, National Association, a national banking association.

"*Paying Agent*" means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

"*Payment Deficiency Fixed Baseline*" means, for any Month, the amount the Project Participant would have been required to pay for such Month under the Power Supply Contract if the Contract Price for such Month had been determined using an Index Price (as defined under the Power Supply Contract) for such Month equal to the Fixed Price (as defined under the Commodity Swap) for such Month.

"*Payment Deficiency Index Baseline*" means, for any Month and any Project Participant, the amount required to be paid by such Project Participant for such Month under the Power Supply Contract.

"*PCC1 Product*" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, MSES or any successors thereto pursuant to any Assigned Rights and Obligations.

"*Person*" means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

"*Pledged Funds*" means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund and (f) the Commodity Swap Payment Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledge thereof in favor of the Commodity Swap Counterparties.

"*Portfolio Content Category 1*" means any Renewable Energy Credit associated with the generation of electricity from an "Eligible Renewable Energy Resource" consisting of the portfolio content

set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"*Power Supply Contract*" means (a) the Power Supply Contract dated as of _____, 2024, between CCCFA and the Project Participant for the sale by CCCFA of Energy from or attributable to the Clean Energy Project to the Project Participant, as such contracts may be amended from time to time in accordance with the terms thereof and the Indenture, and (b) any other contract for the sale by CCCFA of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in the Indenture, as such contract may be amended from time to time in accordance with the terms thereof and the Indenture.

"*PPA Assignee*" means MSCG or, to the extent that MSCG is a PPA Supplier under the applicable Assigned PPA, MSES, in each case in its capacity as the limited assignee under the applicable Assignment Agreement.

"*PPA Assignee Resettlement Amount*" means, in respect of any PPA Monthly Statement, that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any subsequent EPS Energy Period; provided that, notwithstanding the foregoing or anything in the PPA Custodial Agreement to the contrary, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

"*PPA Custodial Agreement*" means that certain Custodial Agreement, dated as of the Initial Issue Date, by and among the Project Participant, the Energy Supplier, MSCG, CCCFA, and U.S. Bank Trust Company, National Association, as custodian, as the same may be amended, modified or supplemented from time to time.

"*PPA Monthly Statement*" means the monthly consolidated invoice delivered to PPA Assignee and Project Participant consistent with the terms of the applicable Assignment Agreement.

"*PPA Supplier*" means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreements.

"*PPT*" means Pacific Prevailing Time.

"*Prepaid Clean Energy Project Administration Agreement*" means the Prepaid Clean Energy Project Administration Agreement dated as of the date of the Indenture, between CCCFA and the Project Participant, as the same may be amended from time to time.

"*Principal Installment*" means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (as determined under the Indenture) of any Sinking Fund Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

"*Private Business Sale*" means any sale of Energy other than in a Non-Private Business Sale or a Qualified Sale.

"*Project Administration Fee*" means the annual fee payable by the Project Participant under the Power Supply Contract for the payment of Operating Expenses of CCCFA.

"*Provisional Payment Fee*" has the meaning specified in the Prepaid Energy Sales Agreement.

"*Project Fund*" means the Project Fund established under the Indenture.

"*PSC Remarketing Election*" means, with respect to the Power Supply Contract, that the Project Participant delivered a Remarketing Election Notice (as defined thereunder) for any Reset Period.

"*Public Agency*" means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

"*Purchase Price*" means (a) with respect to any Purchased Bond to be purchased on an Optional Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date plus accrued and unpaid interest thereon, unless such Optional Purchase Date is an Interest Payment Date for such Bond, in which case interest on such Bond shall not be included in the Purchase Price of such Bond but shall be paid to the Owner of such Bond in accordance with the interest payment provisions of this Indenture, (b) except as provided in clause (c) below, with respect to any Purchased Bond to be purchased on a Mandatory Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date, and (c) in the case of a purchase of a Bond bearing interest at a Term Rate pursuant to the Indenture with respect to which the new Interest Rate Period commences prior to the day originally established as the last day of the preceding Term Rate Period, the optional redemption price for such Bond set forth in the Indenture which would have been applicable to such Bond if the preceding Term Rate Period had continued to the day originally established as its last day. Accrued interest due on any Bonds to be purchased on a Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account of the Debt Service Fund on such date in accordance with the Indenture.

"*Purchased Bonds*" means any Bonds required to be purchased on a Purchase Date.

"*Put Receivable*" means, as of any date, the amount then owed by the Project Participant to CCCFA under the Power Supply Contract (in no case to exceed the amount owed in respect of Specified Volumes), together with any right to payment of interest with respect thereto and any disputed but unpaid amounts thereunder (and excluding any amounts owed by such Specified Project Participant related to indemnities or credit support). For the avoidance of doubt, the term Put Receivable shall not include any amounts due from the Project Participant that are not part of the Trust Estate.

"*Qualified Investments*" means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) at least at the credit rating of the Energy Supplier, or, if the Energy Supplier is not rated, the guarantor of the Energy Supplier (except for (c) below), and are at the time authorized for such purpose by law:

(a) Direct obligations of the United States government or any of its agencies;

(b) Obligations guaranteed as to principal and interest by the United States government any of its agencies;

(c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and CCCFA, and other evidences of deposit at state and federally

chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;

(d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; *provided, however,* that guaranteed investment contracts, forward delivery agreements or similar agreements shall meet the conditions set forth in the preamble to this definition of Qualified Investments;

(f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;

(g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency at the time of investment, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of CCCFA and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that CCCFA shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

"*Qualified Sale*" means the sale of Energy to a Municipal Utility that agrees in writing (i) to use all of such Energy for a Qualifying Use that is not a Private Business Use and (ii) not to count any purchase of such Energy towards any remediation obligations such Municipal Utility may have with respect to proceeds received from the sale of property purchased with tax-exempt financing proceeds.

"*Rating Agency*" means Fitch, Moody's or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

"*Rating Category*" means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

"*Rating Confirmation*" means evidence satisfactory to CCCFA, so designated in a Written Statement of CCCFA delivered to the Trustee, that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical, plus or minus, or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.

"*Rebate Payments*" means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

"*Re-Pricing Agreement*" means the Re-Pricing Agreement, dated as of the Initial Issue Date, by and between CCCFA and the Energy Supplier, as the same may be amended in accordance with its terms.

"*Real-Time Market Price*" means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"*Receivables Purchase Provisions*" means (i) initially, the provisions set forth in Exhibit G to the Prepaid Energy Sales Agreement, and (ii) any successor provisions for the purchase and sale of receivables in respect of amounts due and unpaid under the Power Supply Contract and provided in a Written Notice of CCCFA to the Trustee.

"*Redemption Account*" means the Redemption Account in the Debt Service Fund established in the Indenture.

"*Redemption Price*" means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or the Indenture.

"*Refunding Bonds*" means a Series of Bonds authorized to be issued pursuant to the Indenture for the sole purposes of refunding or defeasing (in accordance with the Indenture) in whole a Series of Bonds then Outstanding, and paying the Cost of Acquisition with respect to such Refunding Bonds.

"*Remarketing Agent*" means, with respect to any Series of Bonds, the entity appointed as the remarketing agent for such Series pursuant to the related Remarketing Agreement and, if applicable, the related Supplemental Indenture.

"*Remarketing Agreement*" means, with respect to any Series of Bonds, the remarketing agreement, if any, entered into between CCCFA and the Remarketing Agent for such Series of Bonds.

"*Remarketing Proceeds Account*" means the Account by that name within the Bond Purchase Fund.

"*Remarketing Provisions*" means the electricity remarketing provisions set forth in Exhibit C to the Prepaid Energy Sales Agreement.

"*Renewable Energy Credit*" or "*REC*" has the meaning specified for "Renewable Energy Credit" in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"*Reset Period*" means Initial Reset Period and each subsequent period determined pursuant to the Re-Pricing Agreement.

"*Retained Payment Amount*" means in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Supplier for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any; provided that, to the extent the Retained Payment Amount is negative in any Month, then the absolute value of such amount shall represent an amount to be paid by the Custodian to Participant pursuant to the PPA Custodial Agreement; provided furthermore that all amounts due with respect to Monthly Excess Quantities and Assigned Paygo Quantities shall be Project Participant's sole responsibility as a portion of the Retained Payment Amount.

"*Responsible Officer*" means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in the Indenture (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

"*Revenue Fund*" means the Revenue Fund established under the Indenture.

"*Revenues*" means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project;

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA;

(d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and

(e) any Advance received by the Trustee on behalf of CCCFA.

provided that, the term "Revenues" shall not include: (u) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (v) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (w) any amounts paid by

the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (x) any Assignment Payment received from the Energy Supplier; (y) Interest Rate Swap Receipts; and (z) amounts paid by the Project Participant in respect of the Project Administration Fee.

"*S&P*" means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"*Schedule*", "*Scheduled*" or "*Scheduling*" means the actions of the Energy Supplier, CCCFA, the Project Participant and/or their designated representatives, including their respective Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"*Scheduled Debt Service Deposits*" means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date.

"*Securities Depository*" means DTC, or its nominee, and its successors and assigns.

"*SIFMA Index*" means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in its commercially reasonable judgment in compliance with the Indenture.

"*SIFMA Index Rate*" means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

"*SIFMA Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

"*Sinking Fund Installment*" means, for the Series 2024X-__ Bonds, the amounts so designated in the Indenture.

"*SOFR*" *or* "*SOFR Index*" means the Secured Overnight Financing Rate reported on the NY Federal Reserve's Website, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing SOFR as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If SOFR is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture.

"*SOFR Accrual Period*" means (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any month.

"*SOFR Effective Date*" means each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for the Series 2024X-2 Bonds.

"*SOFR Effective Period*" means the number of actual days from a SOFR Effective Date to the next SOFR Effective Date.

"*SOFR Index Rate*" means a daily variable interest rate equal to the sum of (1) the product of the SOFR and the Applicable Factor, plus (2) the Applicable Spread on each day of a SOFR Effective Period. The SOFR Index Rate shall be not less than 0.00% per annum, and shall not exceed the Maximum Rate.

"*SOFR Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

"*SOFR Interest Calculation Date*" means the first Business Day of each Month, commencing with the first Business Day of _____ 2024.

"*SOFR Lookback Date*" means the third Business Day immediately preceding each SOFR Effective Date.

"*SOFR Publish Date*" means the second Business Day immediately preceding each SOFR Effective Date.

"*Special Tax Counsel*" means Orrick, Herrington & Sutcliffe LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA. Bond Counsel may serve as Special Tax Counsel.

"*Specified Discount*" means the amount specified in the Prepaid Energy Sales Agreement.

"*State*" means the State of California.

"*Subsidy Payments*" means (a) with respect to a Series of Bonds issued under Section 54AA of the Internal Revenue Code, the amounts relating to such Series of Bonds which are payable by the federal government under Section 6431 of the Internal Revenue Code, which CCCFA has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code, and (b) with respect to a Series of Bonds issued under any other provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable provision of the Internal Revenue Code which CCCFA has elected to receive under the applicable provisions of the Internal Revenue Code.

"*Supplemental Indenture*" means any indenture supplemental to or amendatory of the Indenture executed and delivered by CCCFA and the Trustee in accordance with the Indenture.

"*Tax Agreement*" means the Tax Certificate and Agreement of CCCFA with respect to the Bonds dated as of the Initial Issue Date.

"*Term Rate*" means, with respect to a Series of Bonds, a fixed interest rate for each maturity of such Bonds established in accordance with the Indenture.

"*Term Rate Period*" means, with respect to a Series of Bonds, each period during which a Term Rate is in effect for such Bonds.

"*Term Rate Tender Date*" means the Mandatory Purchase Date.

"*Termination Payment*" means, with respect to any Early Termination Payment Date, the amount specified in the Prepaid Energy Sales Agreement for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount) without any set-off or netting of amounts then due from CCCFA.

"*Transmission Provider(s)*" means any entity or entities transmitting or transporting Energy on behalf of the Project Participant, CCCFA or the Energy Supplier to or from the Delivery Point.

"*Trust Estate*" means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier pursuant thereto, (f) all right, title and interest of CCCFA in, to and under the Energy Supplier Guaranty, (g) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (h) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (i) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

"*Trustee*" means U.S. Bank Trust Company, National Association and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to the Indenture.

"*Undelivered Bond*" means any Bond which constitutes an Undelivered Bond under the provisions of the Indenture.

"*Weekly Interest Rate*" means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with the Indenture.

"*Weekly Interest Rate Period*" means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

"*Written Certificate,*" "*Written Direction,*" "*Written Instrument,*" "*Written Notice,*" "*Written Request*" and "*Written Statement*" of CCCFA means in each case an instrument in writing signed on behalf of CCCFA by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon

which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice, Request or Statement of CCCFA, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

(a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of the Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

[To come from Bond Counsel]

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

[Closing Date]

This Continuing Disclosure Undertaking (the "*Agreement*") is executed and delivered by California Community Choice Financing Authority ("*CCCFA*") in connection with the issuance of its $[PARX-1] Clean Energy Project Revenue Bonds, Series 2024X-1 (Green Bonds) (Term Rate), $[PARX-3] Clean Energy Project Revenue Bonds, Series 2024X-2 (Green Bonds) (SOFR Index Rate) and $[PARX-2] Clean Energy Project Revenue Bonds, Series 2024X-3 (Green Bonds) (SIFMA Index Rate) (collectively, the "*Bonds*"). The Bonds are being issued pursuant to a Trust Indenture, dated as of _____ 1, 2024 (the "*Indenture*"), between CCCFA and U.S. Bank Trust Company, National Association, as trustee. In consideration of the issuance of the Bonds by CCCFA and the purchase of such Bonds by the beneficial owners thereof, CCCFA covenants and agrees as follows:

1. Purpose of this Agreement. This Agreement is executed and delivered by CCCFA as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). CCCFA represents that it will be the only "obligated person" within the meaning of the Rule with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after the issuance of the Bonds.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in *Exhibit I*.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means, collectively, the audited financial statements of CCCFA and SJCE, each prepared pursuant to the standards and as described in *Exhibit I*.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by CCCFA and which has filed with CCCFA a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"*Energy Supplier*" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company and its successors and permitted assigns.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Final Official Statement*" means the Final Official Statement dated _____, 2024, relating to the Bonds.

"*Financial Obligation*" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Monthly Ledger Report*" means the copies of the ledgers maintained by the Energy Supplier pursuant to Exhibit C of the Prepaid Energy Sales Agreement and delivered each month to CCCFA pursuant to Section 9(b)(i) of such Exhibit.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Non-Private Business Sales Ledger*" and "*Private Business Sales Ledger*" have the meanings assigned to such terms in Exhibit C to the Prepaid Energy Sales Agreement.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"*Prepaid Energy Sales Agreement*" means the Prepaid Energy Sales Agreement dated as of the Initial Issue Date, between the Energy Supplier and CCCFA.

"*Project Participant*" means the City of San José, California.

"*Remarketing Non-Default Termination Event*" has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

"*Reportable Event*" means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

"*Reportable Events Disclosure*" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*SJCE*" means San José Clean Energy, the community choice aggregation program of the Project Participant.

"*Undertaking*" means the obligations of CCCFA pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

MATURITY	AMOUNT	CUSIP NUMBER

CCCFA will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, CCCFA hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, CCCFA will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, CCCFA hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of CCCFA to Provide Information. CCCFA shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of CCCFA to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause CCCFA to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause CCCFA to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of CCCFA to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, CCCFA by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a "no-action" letter issued by the Commission, change in law, or change in the identity, nature, or status of CCCFA, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with CCCFA (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

In the event that the Commission, the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, CCCFA shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of CCCFA shall be terminated hereunder if CCCFA no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. CCCFA shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. CCCFA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent CCCFA from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If CCCFA chooses to include any information from any document or notice of occurrence of

a Reportable Event in addition to that which is specifically required by this Agreement, CCCFA shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the name of CCCFA is changed, CCCFA shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of CCCFA, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. CCCFA shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. CCCFA shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of CCCFA under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By _____
Its

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data with respect to the Clean Energy Project, including:

(a) with respect to SJCE updated information under the headings "SJCE Customers – General," "SJCE Customers – *Cumulative Opt-Out Rates and Customer Retention*," "SJCE Service Rates – *Current and Historical Rates*," "Sources of Energy – *Energy Purchases*," "SJCE Financial Information – *Results of Operations*," "SJCE Financial Information – *Statement of Net Position*" and "Financial Information – *Other Liquidity Sources*" set forth APPENDIX A to the Official Statement;

(b) the quantities of Energy from the Clean Energy Project sold by CCCFA, whether to the Project Participant or others; and

(c) such other information and data as CCCFA may deem necessary in order to comply with the requirements of the Rule.

"*Audited Financial Statements*" means the audited financial statements of CCCFA and SJCE, in each case for the most recent fiscal year (commencing with the fiscal year ended December 31, 2024 for CCCFA and commencing with the fiscal year ended June 30, 2024 for SJCE), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to CCCFA and SJCE, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the Commission. CCCFA shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to SJCE will be submitted to EMMA no later than April 1 after the end of each fiscal year of SJCE, commencing with its fiscal year ending June 30, 2024.

Annual Financial Information with respect to CCCFA (*i.e.,* the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by 200 days after end of the end of each fiscal year of CCCFA, commencing with its fiscal year ending December 31, 2024.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for SJCE and CCCFA. If Audited Financial Statements of SJCE or CCCFA are not available when their respective Annual Financial Information is required to be filed as described above, (i) unaudited financial statements shall be submitted with their Annual Financial Information, and (ii) their respective Audited Financial Statements shall be submitted to EMMA no later than 30 days after the date they become available.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, CCCFA will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of CCCFA*

13. The consummation of a merger, consolidation, or acquisition involving CCCFA or the sale of all or substantially all of the assets of CCCFA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

15. Incurrence of a Financial Obligation of CCCFA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of CCCFA, any of which affect security holders, if material

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of CCCFA, any of which reflect financial difficulties

17. The receipt by CCCFA of a Monthly Ledger Report that includes a credit to any Non-Private Business Sales Ledger or any Private Business Sales Ledger that has not been reversed within twelve months of the date of such credit

18. The receipt by CCCFA of a Monthly Ledger Report that shows that a Remarketing Non-Default Termination Event has occurred

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[To come from Bond Counsel]

APPENDIX F

FORM OF SECOND PARTY OPINION REGARDING GREEN BOND DESIGNATION

[To come from Kestrel]

APPENDIX G

BOOK-ENTRY SYSTEM

The Depository Trust Company ("*DTC*"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Bonds exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CCCFA of securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from CCCFA or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, CCCFA or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of CCCFA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to CCCFA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

CCCFA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that CCCFA believes to be reliable, but CCCFA takes no responsibility for the accuracy thereof.

APPENDIX H

REDEMPTION PRICE OF THE SERIES 2024X-1 BONDS

The following table sets forth the Redemption Price of the Series 2024X-1 Bonds (being the Amortized Value of the Series 2024X-1 Bonds, but excluding accrued interest) upon an extraordinary mandatory redemption following an early termination of the Prepaid Energy Sales Agreement, as of the redemption dates shown below during the Initial Interest Rate Period.

REDEMPTION DATE	REDEMPTION PRICE	REDEMPTION DATE	REDEMPTION PRICE

APPENDIX I

TERMINATION PAYMENT SCHEDULE

The Termination Payment for any Early Termination Payment Date will be the amount set forth on the table below in the column corresponding to the month in which the Early Termination Date occurs, plus the product of (a) the Monthly Projected Quantity for such month and the Hourly Quantities for such month, as applicable, minus the quantity of Energy delivered in such month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price for Energy (as defined in the CCCFA Commodity Swaps), minus (ii) the Specified Discount then in effect.

MONTH OF EARLY TERMINATION	TERMINATION PAYMENT	MONTH OF EARLY TERMINATION	TERMINATION PAYMENT