



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710

JAN 25 2019

Letter of Agreement 19-SNR-02196

Mr. John Roukema
Director of Electric Utility
City of Santa Clara, dba Silicon Valley Power
1500 Warburton Avenue
Santa Clara, CA 95050-3713

Dear Mr. Roukema:

The City of Santa Clara, dba Silicon Valley Power (SVP), a customer of the Western Area Power Administration's (WAPA) Sierra Nevada Region (SNR), executed Base Resource Contract 00-SNR-00352 (BR Contract) with WAPA dated December 14, 2000. The General Power Contract Provisions (GPCP) effective July 10, 1998, are incorporated and made a part of the BR Contract. The Carr Fire in Northern California severely impacted WAPA's transmission infrastructure and WAPA's ability to provide base resource to its customers beginning on July 27, 2018.

On July 27, 2018, due to the Carr Fire, WAPA needed to selectively curtail customers. WAPA contacted Northern California Power Agency (NCPA), as SVP's scheduling coordinator, and NCPA agreed to a curtailment on behalf of SVP. WAPA appreciates both SVP's and NCPA's assistance. Curtailing SVP allowed WAPA to reliably operate the system and to deliver base resource to other customers. The Carr Fire's growth forced WAPA to cease deliveries of base resource to all customers starting on July 28, 2018.

While Section 4 and 34 of the GPCP excuse performance during an uncontrollable force, such as the Carr Fire, WAPA appreciates SVP's assistance and would like to settle this matter to ensure SVP is properly compensated for the replacement cost of energy it incurred on July 27, 2018.

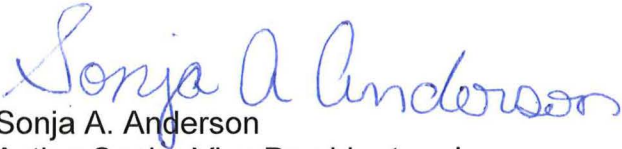
This Letter of Agreement (LOA) provides the terms and conditions under which WAPA will compensate SVP for the financial impacts incurred by SVP during the curtailment period on July 27, 2018. For dates other than July 27, 2018, WAPA will credit all SNR customers, including SVP, as set forth in that notice. When used in this LOA, "Party" refers to SVP and/or WAPA individually, and "Parties" refers to SVP and WAPA collectively.

1. Determination of Financial Impact Due to Curtailment:
 - 1.1 The hours of curtailment are July 27, 2018 hour ending 1600 to hour ending 2000.

- 1.2 The financial impact to SVP as a result of the curtailment of base resource is \$91,618.12.
2. Settlement: By entering into this LOA, SVP agrees to settle, resolve, release and forever discharge WAPA from any and all claims, actions, demands, causes of actions, liabilities, judgements, costs and suits, present and future, known or unknown, arising from or relating to the transactions in which WAPA curtailed SVP's base resource during the Carr Fire.
3. Payment: No later than 45 days after the execution of this LOA, WAPA shall pay SVP in the amount indicated in Section 1.2 above in the form of a credit on SVP's January power bill.
4. Effective Date: This LOA shall become effective on the date that this LOA has been signed by both SVP and WAPA.
5. Joint Authorship: SVP and WAPA agree that this LOA reflect the joint drafting efforts of both Parties. In the event any dispute, disagreement or controversy arises regarding this LOA, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.
6. Entire Agreement: This LOA constitutes the final written expression of all of the terms of this settlement between the Parties and is a complete and exclusive statement of those terms, superseding all prior arrangements and agreements. This LOA may not be amended or modified except by a written instrument signed by the Parties. Each Party acknowledges that no representations or promises not expressly contained in this LOA have been made by a Party or by the agents or representatives of a Party.
7. Severability: If any portion of this LOA shall be or become illegal, invalid, or unenforceable in whole or in part for any reason, such provision shall be ineffective only to the extent of such illegality, invalidity or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this LOA. If any court of competent jurisdiction should deem any covenant herein to be invalid, illegal, or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

If you are in agreement with the terms and conditions written above, please indicate your approval by signing and dating both originals of this LOA and return one to Ms. Jeanne Haas, mail code N6200 at this office. If you have any questions, please contact Jeanne Haas at (916) 353-4438.

Sincerely,



Sonja A. Anderson
Acting Senior Vice President and
Sierra Nevada Regional Manager

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Approved as to Form:

Dated: _____

BRIAN DOYLE
City Attorney

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