

COORDINATION, RESILIENCY, AND ACTION AGREEMENT

This Coordination, Resiliency, and Action Agreement (the “Agreement”) is entered into as of _____, 20__ (the “Execution Date”) by and between Russell City Energy Company, LLC, (“RCEC”), and City of Hayward, California, a municipal corporation of the State of California (the “City”) (collectively, the “Parties”).

WHEREAS, the purpose of this Agreement is to set forth a summary of the understanding and agreement between RCEC and the City, regarding coordination, resiliency, and action following the May 27, 2021 steam turbine incident at RCEC’s facility.

WHEREAS, the Russell City Energy Center is a highly efficient, combined-cycle electric generating facility with advanced air emissions control technologies located in Hayward, California (the “Plant”).

WHEREAS, the Plant commenced operations in August 2013 and, at all relevant times, has been duly licensed by the California Energy Commission (CEC).

WHEREAS, the Plant brings much-needed energy capacity to Hayward, the East Bay, and the greater Bay Area and is capable of serving the needs of 600,000 households.

WHEREAS, the California Independent System Operator (CAISO) identified the Plant as one of two resources in the Bay Area that are best suited to provide black start capability, which mitigates the potential for catastrophic economic disruption to the region following a system-wide power outage. The Plant’s battery black start capability was commissioned in December 2020 and has significantly improved the system restoration capabilities in Northern California, including Hayward and the greater Bay Area.

WHEREAS, on May 27, 2021, the Plant experienced a mechanical failure of the steam turbine generator (the “Event”). The Event rendered the Plant temporarily inoperable in its designed configuration.

WHEREAS, the Event impacted the nearby Hayward Housing Navigation Center.

WHEREAS, immediately following the Event, RCEC engaged an independent third party to conduct a root cause analysis (RCA) to identify the cause of the Event.

WHEREAS, on July 30, 2021, the Governor of California issued an emergency proclamation finding it necessary to take immediate action to reduce the strain on the energy infrastructure, increase energy capacity, and make energy supply more resilient to protect the health and safety of Californians and directing all state agencies to act immediately to achieve energy stability and to mitigate the risk of capacity shortages.

WHEREAS, to provide critical support to the electric grid in the summer and fall 2021, RCEC sought and obtained from the CEC and the Bay Area Air Quality Management District approval for a temporary modification to the steam turbine condenser to allow the Plant to operate in simple-cycle mode (a mode of operation where the combustion turbines are operational without the steam turbine) until repairs to the steam turbine were complete.

WHEREAS, the Plant has returned to combined-cycle operations.

WHEREAS, the safety of its colleagues and the community is a core value of RCEC, and RCEC is committed to the safe and reliable operation of the Plant.

WHEREAS, RCEC takes the concerns of the City and its relationship with the community very seriously and has committed to ensuring improved communication with the City going forward.

WHEREAS, RCEC and the City have met on at least ten (10) separate occasions regarding the Event and RCEC plans to continue its efforts to communicate, cooperate, and coordinate with the City. These meetings were conducted on:

- August 6, 2021, with the City Manager and Fire Chief, and representatives of the CEC and California Public Utilities Commission (CPUC)
- August 16, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- August 19, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- August 27, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- September 8, 2021, with the City Manager and Fire Chief
- November 30, 2021, with the City Manager and Fire Chief, CEC Staff and CPUC Staff for presentation of the RCA Report
- December 2, 2021, with the City Manager and Fire Chief
- March 14, 2022, with the Fire Department Training Battalion Chief
- May 9, 2022, with the City Manager and Fire Chief
- May 24, 2022, with the City Manager and Fire Chief

NOW, THEREFORE, in exchange for the agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the RCEC and the City agree as follows:

1.0 COORDINATION AGREEMENT

- 1.1 Cooperation with the Hayward Fire Department.** RCEC will engage in additional cooperation, communication, and coordination efforts with the Hayward Fire Department as outlined in Exhibit A.
- 1.2 Contribution to Hayward Fire Department HazMat Unit.** Within 30 days after the Execution Date, RCEC will make a contribution of one hundred fifty thousand dollars (\$150,000) directly to the Hayward Fire Department in support of the development of a Hazardous Materials Unit. [NTD: CITY TO PROVIDE SPECIFICS ON PAYMENT] Once the Hazardous Materials Unit is purchased, RCEC will provide opportunities to train Hayward Fire Department personnel at the RCEC facility.
- 1.3 Contribution to Recognize the History of Russell City.** The City and RCEC will work with the historic Russell City community to agree upon an appropriate cultural project to recognize the history of Russell City. RCEC will contribute up to twenty thousand dollars (\$20,000) for the selected project. [NTD: CITY TO PROVIDE SPECIFICS ON PAYMENT]

2.0 GENERAL PROVISIONS

- 2.1 No Public Statement.** Neither Party shall issue any press or media releases nor make any other public statements or disclosures with respect to this Agreement or the transactions contemplated hereby, without the prior written consent of the other Party, except as required by applicable law. Each Party shall make all reasonable efforts to consult with the other Party prior to making any public statements required by applicable law.
- 2.2 Insurance Payments.** The City acknowledges and agrees that RCEC's insurer has paid all property damage claims submitted in connection with the Event.
- 2.3 Amendment.** This document may not be modified or amended in any way unless done in writing and signed by all Parties to this Agreement.
- 2.4 Sole Agreement.** This Agreement is the sole and exclusive agreement made by the Parties in connection with this matter.
- 2.5 City Approvals.** City of Hayward has or will obtain all necessary approvals for this Agreement.

- 2.6 Notices.** Any notice as required under this Agreement shall be made, in writing, as follows:

For the City of Hayward:

[TO BE PROVIDED BY CITY]

For RCEC:

Russell City Energy Company, LLC
3862 Depot Road
Hayward, CA 94545
Attn: Plant Manager
Telephone: (510) 731-1403
E-mail: jason.jin@calpine.com

With a copy to:

Russell City Energy Company, LLC
3003 Oak Road, Suite 400
Walnut Creek, CA 94597
Attn: Rosemary Antonopoulos, VP and Deputy General Counsel
Telephone: (925) 557-2283
E-mail: Rosemary.Antonopoulos@calpine.com

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below.

City of Hayward

Russell City Energy Center, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

DRAFT

Exhibit A

Cooperation with the Hayward Fire Department and RCEC

- Notify the HFD in advance (two weeks' notice) of any planned emergency drills or tabletop exercises performed in compliance with its EAP.
- Coordinate with the HFD on at least two general emergency drills and one mock rescue drill annually
- Invite the HFD to participate in any roundtable discussions that take place following the drills
- Provide notice to the HFD of any plant management changes within RCEC and making the appropriate introductions to HFD
- Meet annually with HFD and City Manager to review information for the Knox Box (non-destructive emergency Fire Department key access to the property) and providing any necessary updates