

RESOLUTION NO. 2013-01
of the
EASTSIDE POWER AUTHORITY

**ADOPTING A RENEWABLE ENERGY RESOURCES PROCUREMENT
PLAN IN FURTHERANCE OF RESOLUTION ESPA NO. 11-01, AND
AUTHORIZING THE TAKING OF CERTAIN OTHER ACTION IN
CONNECTION THEREWITH**

WHEREAS, the Eastside Power Authority (“ESPA”) is a joint powers agency that operates to, among other things, allocate its members’ respective share of electricity generated under the Western Area Power Administration’s (“WAPA”) power marketing plans for use in serving ESPA members’ water pumping operations; and

WHEREAS, in carrying out this and other electricity functions (1) ESPA operates as a local publicly owned electric utility (“POU”) (as defined in Public Utilities Code Section 224.3), and ESPA is generally subject to the legislative and regulatory requirements applicable to POU’s and (2) ESPA uses direct access rules to cause electricity to be delivered to ESPA members’ isolated water pumping loads; and

WHEREAS, the State of California passed Senate Bill 2 (1st Extraordinary Session) (“SB 2-1X”), effective as of December 10, 2011, requiring POU’s, including ESPA, to adopt and implement, among other things, a renewable energy resources enforcement program that requires POU’s to procure a minimum quantity of eligible renewable energy resources over certain periods, subject to a cost limitation and other flexible compliance measures adopted by the POU’s respective governing board; and

WHEREAS, in accordance with Public Utilities Code Section 399.30(e) (added by SB 2-1X), the ESPA Board of Directors, as the governing board of ESPA, adopted Resolution 11-01 on December 8, 2011, adopting and establishing a renewable energy resources enforcement program for the enforcement of ESPA’s obligations under SB 2-1X (“RPS Enforcement Program”); and

WHEREAS, in accordance with Public Utility Code Section 399.30(a), the RPS Enforcement Program directs ESPA staff to develop and present a renewable energy resources procurement plan (“RPS Procurement Plan”) to the ESPA Board of Directors; and

WHEREAS, ESPA has taken various steps, including collaboration with WAPA and participation in a Request for Information issued jointly by ESPA and several other small POU’s, to obtain information from market participants on the expected cost and sufficiency of supply of renewable resources meeting the requirements of SB 2 1-X and the unique portfolio risks and cost limitations of small POU’s, including ESPA’s status as an allottee under WAPA’s power marketing plans (“RPS Information”); and

WHEREAS, ESPA has analyzed RPS Information and cost limitation factors in light of ESPA's unique circumstances, including its status as a small POU, its allocation of electricity under WAPA's power marketing plans, and its use of direct access rules to deliver electricity to ESPA members' isolated water pumping operations; and

WHEREAS, based on information and factors analyzed by ESPA, ESPA has developed a draft RPS Procurement Plan that (1) recognizes the unique nature of WAPA allocations to serve ESPA members' water pumping operations; (2) proposes a cost limitation for the first compliance period under SB 2 1-X; and (3) describes the electricity products ESPA plans to use in carrying out its cost limitation provision and otherwise to demonstrate good faith pursuit of the RPS procurement targets in light of ESPA's unique circumstances; and

WHEREAS, ESPA has provided notice and distributed material related to the RPS Procurement Plan in accordance with the provisions of Public Utilities Code Section 399.30(f).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Eastside Power Authority does hereby approve and adopt the RPS Procurement Plan for ESPA set forth in Attachment A, which is attached hereto and incorporated herein.

BE IT FURTHER RESOLVED that, as authorized in SB 2 1-X, the following flexible compliance measure is hereby approved and adopted: a cost limitation for procurement expenditures by ESPA is hereby approved and adopted (as described in Section 11.A.4 of the RPS Procurement Plan)

BE IT FURTHER RESOLVED that, except as to matters specifically reserved for the ESPA Board of Directors, the ESPA Manager or his designee is authorized and directed to do and perform all acts required to implement the RPS Procurement Plan, and to periodically report to the ESPA Board of Directors, including but not necessarily limited to correcting any errors in the RPS Procurement Plan or its underlying data and resubmitting the revised RPS Procurement Plan in accordance with applicable regulatory requirements.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

ADOPTED this 21st day of November, 2013 on motion of Director Galloway, seconded by Alternate Director Edwards and adopted by the following vote:

AYES: 3
NOES: 0
ABSENT: 0
ABSTAIN: 0

CERTIFICATE OF SECRETARY

I do hereby certify that I am the presently appointed and acting Secretary of the Eastside Power Authority, a joint powers authority organized and existing under the laws of the State of California, and that the foregoing Resolution was duly adopted by the Board of Directors of said Authority at a meeting thereof duly and regularly held at the office of the said Authority at 14181 Avenue 24, Delano, California on the 21st day of November, 2013, at which meeting a quorum of said Board of Directors was at all times present and acting, and that said Resolution has not been rescinded or amended in whole or any part thereof, and remains in force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of November, 2011.



Dale R. Brogan, Secretary
Eastside Power Authority

Exhibit A

RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN

This Renewable Energy Resources Procurement Plan ("RPS Procurement Plan") shall apply to the Eastside Power Authority ("ESPA").

Section 1: Preliminary Background Information

ESPA is a joint powers agency established in 1995 for the purpose, among other things, of facilitating the efficient allocation of ESPA members' respective share of electricity entitlements under the Western Area Power Administration's ("WAPA") power marketing plans. This allocation of electricity serves ESPA members' water pumping operations. In carrying out this and other electricity functions, ESPA operates as a local publicly owned electric utility ("POU") (as defined in Public Utilities Code Section 224.3), and ESPA is generally subject to the legislative and regulatory requirements applicable to POU's. ESPA is unique among POU's in several key respects. First, ESPA is one of the smallest POU's. Second, ESPA provides electric service exclusively to its public agency members for the purpose of serving water pumping operations. Third, while ESPA also has actual retail sales to its members, ESPA's allocation of its members' WAPA electricity entitlements are not handled as retail sales, but rather as pass-through allocations. Fourth, ESPA uses direct access as the means by which electricity is delivered to ESPA members' water pumping loads. These unique circumstances shape how ESPA implements power procurement and allocation activities.

The California Renewables Portfolio Standard ("RPS") program was established by Senate Bill ("SB") 1078, and has been subsequently modified by SB 107, SB 1036 and most recently by SB 2 in the 2011-2012 First Extraordinary Session ("SB2-1X"). The RPS program is codified in Public Utilities Code ("PUC") § 399.11-399.31. SB2-1X requires California's electric utilities and other retail sellers to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources equals or exceeds a specified percent of the total electricity sold to retail customers in California ("California Renewables Portfolio Standard" or "RPS Program"). SB 2-1X directed the California Energy Commission ("CEC") to adopt regulations specifying RPS enforcement procedures for local publicly owned electric utilities ("POU's"); certify and verify eligible renewable energy resources procured by POU's; and refer any compliance failures of POU's to the California Air Resources Board ("CARB"), which may impose penalties. On June 12, 2013, the CEC adopted the "Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities," ("CEC Regulations"), and the Office of Administrative Law subsequently approved the CEC Regulations, thereby making the CEC Regulations effective as of October 1, 2013.

Section 2: Definitions

The definitions set forth in Public Resources Code ("PRC") § 25741 and PUC § 399.12 are incorporated herein. Capitalized terms in this RPS Procurement Plan, shall have the meaning given to such term in the body of this RPS Procurement Plan or in the PRC or PUC, as applicable.

Section 3: Purpose

This document is ESPA's RPS Procurement Plan. This RPS Procurement Plan describes how ESPA will achieve its RPS procurement requirements consistent with flexible compliance measures specified in SB 2-1X and applicable to the ESPA's status as a small POU and an allottee under the Western Area Power Administration's ("WAPA") power marketing plans, as further described below.

Section 4: Eligible Renewable Energy Resources

Biodiesel
Biogas
Biomass
Conduit hydroelectric
Digester gas
Fuel cells using renewable fuels
Geothermal
Hydroelectric incremental generation from efficiency improvements
Landfill gas
Municipal solid waste
Ocean wave, ocean thermal, and tidal current
Photovoltaic
Small hydroelectric (30 megawatts or less)
Solar thermal electric
Wind

Section 5: RPS Requirements

SB2-1X, as implemented by the CEC Regulations, imposes three initial compliance periods:

Compliance Period	RPS Procurement Obligation
January 1, 2011 – December 31, 2013	Average of 20%
January 1, 2014 – December 31, 2016	25% by December 31, 2016
January 1, 2017 – December 31, 2020	33% by December 31, 2020

SB2-1X allows flexible compliance mechanisms, including banking (accumulating excess procurement in one compliance period to be applied in a subsequent compliance period); delayed compliance (inadequate transmission, insufficient eligible renewable resources, delays in permitting or interconnections or unanticipated curtailment for reliability needs) and a cost limitation (a limitation on expenditures for renewable energy resources).

SB2-1X identifies three distinct Portfolio Content Categories ("PCCs" or "Buckets") that may be used to satisfy the procurement obligations. PCC 1 refers to bundled procurement from qualified renewable energy generators located within the State or from out-of-State generators that can meet strict scheduling requirements to ensure

uninterrupted deliverability to California. Use of PPC 1 resources is unlimited in demonstrating RPS compliance. PCC 2 refers to “firmed and shaped” transactions where the bundled procurement from a renewable resource that is “matched” with an equivalent amount of incremental, non-renewable energy, which is scheduled into a California Balancing Authority (“BA”). For purposes of PCC 1 and PCC 2, “bundled” procurement refers to a purchase of both the energy and the renewable energy attributes, or Renewable Energy Credits (“RECs”), produced by the eligible renewable generator. PCC 3 procurement relates to purchases of “unbundled” RECs with no physical delivery of associated or related energy. SB2-1X specifies percentage requirements for each PCC:

Portfolio Content Category (PCC or Bucket)	Description	Usage Limits (% of Renewable Energy)
PCC 1	First point of interconnection inside of a California BA; Scheduled into a California BA without substituting electricity from another source; or dynamically transferred into a California BA.	Minimum of 50% through 2013; 65% through 2016, 75% beginning in 2017
PCC 2	Firmed and shaped	Limited to anything left over after meeting PCC 1 and PCC 3 limits.
PCC 3	Unbundled renewable energy certificates	Maximum of 25% through 2013, 15% through 2016, 10% beginning in 2017

Section 6: Previous Adoption of the RPS Enforcement Program

On December 8, 2011, (ESPA Resolution No. 11-01), the ESPA Board of Directors adopted the Renewable Energy Resources Enforcement Program (“RPS Enforcement Program”). Through the RPS Enforcement Program, the ESPA Board of Directors established three compliance periods consistent with SB 2-1X, adopted RPS-eligible procurement goals for each of the three compliance periods and described the framework for how ESPA would implement the requirements and measures in SB 2-1X with respect to the RPS Program. Section 10 of the RPS Enforcement Program directed the ESPA Manager to develop and present a Resource Energy Resources Procurement Plan to the ESPA Board of Directors.

Section 7: Specified RPS Procurement Targets

In the RPS Enforcement Program, the ESPA Board of Directors adopted general RPS procurement targets for each of the three compliance periods. Pursuant to PUC § 399.30(b) and (c), the ESPA Board of Directors adopts and further specifies the RPS procurement targets, as follows:

A. Compliance Period 1 (January 1, 2011 – December 31, 2013)

Subject to the Initial Cost Limitation described in Section 11, the following table provides a forecast of ESPA's Compliance Period 1 procurement targets with regard to the total RPS Procurement Obligation and each of the PCC products that have been described in the RPS Program and CEC Regulations. As further specified in the RPS Program and CEC Regulations, ESPA is not required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period, but rather such procurement may be averaged over the entire three-year period.

Compliance Period 1

January 1, 2011 – December 31, 2013

	2011	2012	2013	Total
Actual/Forecasted Retail Sales (MWh)	14,946	18,462	16,114	49,521
RPS Procurement Obligation (% of Total)	20%	20%	20%	20%
RPS Procurement Obligation (MWh)	2,989	3,692	3,223	9,904
Minimum Procurement of Portfolio Content Category 1 (MWh)	1,495	1,846	1,611	4,952
Maximum Procurement of Portfolio Content Category 3 (RECs)	747	923	806	2,476
Residual Procurement form Portfolio Content Category 2 (MWh)	747	923	806	2,476

- Notes: (1) ESPA is subject to the provisions of PUC § 399.30(i), which allows for a 7-year average of retail sales.
(2) The retail sales figures listed above exclude energy consumption for water pumping operations that are served, not as retail sales, but as pass-through allocations of ESPA members' WAPA electricity entitlements.
(3) The annual soft targets are for planning purposes only.

B. Compliance Period 2 (January 1, 2014 – December 31, 2016)

Subject to the Cost Limitation Guideline described in Section 11, the following table provides a forecast of ESPA's Compliance Period 2 procurement targets with regard to the total RPS Procurement Obligation and each of the PCC products that have been described in the RPS Program and CEC Regulations:

Compliance Period 2

January 1, 2014 – December 31, 2016

	2014	2015	2016	Total
Forecasted Retail Sales (MWh)	18,872	17,775	16,947	53,594

RPS Procurement Obligation (% of Total)	20%	20%	25%	
RPS Procurement Obligation (MWh)	3,774	3,555	4,237	11,566
Minimum Procurement of Portfolio Content Category 1 (MWh)	2,453	2,311	2,754	7,518
Maximum Procurement of Portfolio Content Category 3 (RECs)	755	711	847	2,313
Residual Procurement from Portfolio Content Category 2 (MWh)	566	533	636	1,735

- Notes: (1) ESPA is subject to the provisions of PUC § 399.30(i), which allows for a 7-year average of retail sales.
- (2) The retail sales figures listed above exclude energy consumption for water pumping operations that are served, not as retail sales, but as pass-through allocations of ESPA members' WAPA electricity entitlements.
- (3) The annual soft targets are for planning purposes only.

C. Compliance Period 3 (January 1, 2017 – December 31, 2020)

Subject to the Cost Limitation Guideline described in Section 11, the following table provides a forecast of ESPA's Compliance Period 3 procurement targets with regard to the total RPS Procurement Obligation and each of the PCC products that have been described in the RPS Program and CEC Regulations:

Compliance Period 3

January 1, 2017 – December 31, 2020

	2017	2018	2019	2020	Total
Forecasted Retail Sales (MWh)	17,096	17,307	17,447	17,185	69,035
RPS Procurement Obligation (% of Total)	27%	29%	31%	33%	
RPS Procurement Obligation (MWh)	4,616	5,019	5,409	5,671	20,715
Minimum Procurement of Portfolio Content Category 1 (MWh)	3,000	3,262	3,516	3,686	13,464
Maximum Procurement of Portfolio Content Category 3 (RECs)	923	1,004	1,082	1,134	4,143
Residual Procurement from Portfolio Content Category 2 (MWh)	692	753	811	851	3,107

- Notes: (1) ESPA is subject to the provisions of PUC § 399.30(i), which allows for a 7-year average of retail sales.
- (2) The retail sales figures listed above exclude energy consumption for water pumping operations that are served, not as retail sales, but as pass-through allocations of ESPA members' WAPA electricity entitlements.
- (3) The annual soft targets are for planning purposes only.

D. Subsequent Annual Compliance Periods

For each subsequent annual compliance period, subject to modifications to the Cost Limitation Guideline described in Section 11, ESPA will act in good faith to procure sufficient Eligible Renewable Energy Resources to equal an average of 33 percent of retail sales.

Section 8: ESPA's Resource Portfolio

As noted above, while ESPA also has actual retail sales to its members, ESPA's allocations of its members' WAPA electricity entitlements are not handled as retail sales, but rather as pass-through allocations. ESPA members have assigned their WAPA electricity entitlements to ESPA, which facilitates the efficient allocation of this resource to the members' water pumping loads. The amount of annual electricity from this resource varies since electricity generation is dependent on hydroelectric conditions. On average, WAPA electricity entitlements have resulted in the allocation by ESPA of approximately 16,500,000 kWhs per year.

To serve its retail sales (that amount of ESPA load not served by WAPA electricity entitlements), ESPA purchases various electricity products. These supplemental products include fixed-forward quantity-and-price contracts plus day-ahead balancing under option agreements.

Section 9: Status of RPS Procurement Efforts

A. Investigation and Exploration of Solar Photovoltaic ("PV") Projects

ESPA undertook an extensive renewable power procurement effort in 2009, which included Clean Renewable Energy Bond financing application, securing California Solar Initiative applications for five sites totaling 3.5 MW of capacity. Due to its unduly restrictive policies, the CAISO would not pay for net-generation from the three sites having less than 1.0 MW of installed capacity during the 3-5 month period when generation at those sites would exceed demand. Accordingly, the CAISO thwarted ESPA's effort for early compliance at significant cost to ESPA.

B. Request for Information – RPS Procurement

In an effort to better understand eligible renewable resource availability, pricing and transactional terms that may apply to small POUs, a group of small POUs ("Small POU Group"), which includes ESPA, Cerritos Electric Utility, Corona Department of Water & Power, Moreno Valley Utility, Rancho Cucamonga Municipal Utility, and Victorville Municipal Utility Services issued a Request for Information ("RFI") in October 2012 focused on Eligible Renewable Energy Resources. The RFI was issued for the purpose of gathering relevant information from sellers of PCC 1 resources sufficient to

allow the members in the Small POU Group to develop renewable energy resources procurement plans pursuant to PUC § 399.30(a), and to evaluate costs and options in connection with their respective obligations for Compliance Periods 1, 2 and 3 pursuant to PUC § 399.30(b). The responses to the RFI included project opportunities that could meet the short-and long-term PCC 1 needs of ESPA.

C. Incremental RPS Procurement Cost to Meet RPS Procurement Obligation

ESPA continues to monitor the indicative prices for renewable energy products. Based upon current market conditions, the forecasted Incremental RPS Procurement Costs (defined as the difference in the projected cost of non-renewable energy resources and the projected cost of Eligible Renewable Energy Resources) associated with meeting the total RPS Procurement Obligation are:

Compliance Period 1
January 1, 2011 – December 31, 2013

	Assumed Procurement	Forecasted Incremental Cost
Portfolio Content Category 1	4,952	123,803
Portfolio Content Category 2	2,476	19,808
Portfolio Content Category 3	2,476	2,908
Total Compliance Obligation	9,904	\$146,520

Compliance Period 2
January 1, 2013 – December 31, 2016

	Assumed Procurement	Forecasted Incremental Cost
Portfolio Content Category 1	7,518	187,950
Portfolio Content Category 2	2,313	20,819
Portfolio Content Category 3	1,735	3,470
Total Compliance Obligation	11,566	\$212,239

Compliance Period 3
January 1, 2017 – December 31, 2020

	Assumed Procurement	Forecasted Incremental Cost
Portfolio Content Category 1	15,074	452,230
Portfolio Content Category 2	3,338	33,380
Portfolio Content Category 3	2,302	6,907
Total Compliance Obligation	16,099	\$ 492,517

Section 10: Continuing Exploratory Efforts – Distributed Generation-Solar PV

Consistent with the objectives of SB 2-1X and meeting the State’s overall RPS targets, ESPA encourages the installation of behind-the-customer-meter distributed generation of solar PV panels (“BTM Solar Systems”). In 2008, one of ESPA’s members, Delano-Earlimart Irrigation District, installed two 10kW dual-axis tracking photovoltaic generators that produce about 42,000 kWh/year. ESPA has also continued to pursue exploratory efforts with its members to overcome the previous obstacles associated with BTM Solar Systems. As further described below, ESPA desires to pursue BTM Solar Systems at its members’ water pumping sites to satisfy ESPA’s RPS procurement requirements.

Section 11: Application of Flexible Compliance Mechanisms

A. Cost Limitation

1. *Relevant Factors.* The following factors are relevant in the ESPA Board of Director’s consideration of a cost limitation to determine the funding available to procure Eligible Renewable Energy Resources and meet the RPS obligation.
 - i. ESPA was established for the principal purpose of facilitating the efficient allocation of ESPA members’ respective share of electricity entitlements under WAPA’s power marketing plans.
 - ii. Allocations of its members’ WAPA electricity entitlements are not handled as retail sales, and thus reduce the amount of electricity that ESPA must procure and sell to its members.
 - iii. Although ESPA is a POU it operates under direct access rules, which means that ESPA provides the supply of electricity to its members while Southern California Edison Company (“SCE”) provides physical distribution of electricity to the customers’ meters. This model creates challenges for the development and/or procurement of Eligible Renewable Energy Resources.
 - iv. ESPA’s members have the option to switch to bundled electric service if ESPA’s rates for the supply of electricity are not sufficiently below SCE’s rates to justify the members’ continuing investment of time and resources in ESPA.
 - v. ESPA has invested significant time and resources seeking to develop BTM Solar Systems at or near its members’ water pumping loads.
 - vi. In light of its small size and unique operating characteristics, ESPA is exposed to higher incremental transaction costs associated with purchasing standard RPS electricity products on the market.
 - vii. As a matter of policy and economics, and in light of ESPA’s unique circumstances, the ESPA Board of Directors has expressed a

preference to purchase or develop BTM Solar Systems in order to comply with RPS requirements.

2. *Information Reviewed.* Pursuant to PUC § 399.30(d)(3), and consistent with Section 9 of the RPS Enforcement Program, the ESPA Board of Directors has relied on the following information in its consideration of a limitation on the Incremental RPS Procurement Costs for all Eligible Renewable Energy Resources in Compliance Period 1:
 - i. The information on cost and availability of Eligible Renewable Energy Resources that is contained in this RPS Procurement Plan, which was obtained through the RPS Procurement Efforts and subsequent offers to sell eligible renewable energy products.
 - ii. The forecast of ESPA's revenues less expenses (before the incremental cost of procuring electricity products to satisfy the RPS requirements).
 - iii. The forecasted Incremental RPS Procurement Costs for RPS-eligible resources to fully satisfy the RPS in Compliance Period 1, which, as described in Section 9B, is \$146,520. ("Full RPS Cost").
 - iv. The procurement expenditures associated with proposals to build, own, and operate eligible renewable energy resources, including expenditures for planned renewable energy resources that were delayed or canceled.
3. *Establishment of the Initial Cost Limitation.* Based on the foregoing factors and information, the ESPA Board of Directors establishes a limitation on the procurement expenditures for RPS-eligible resources in Compliance Period 1. For Compliance Period 1, the Incremental RPS Procurement Costs for all Eligible Renewable Energy Resources shall be limited by each of the following rules:
 - i. The premium cost for renewable energy shall not exceed 20 percent of the cost for standard market-based power supply products.
 - ii. ESPA deems year-over-year cost increases of over 10 percent as excessive, and it will limit its annual expenditures on renewable power such that the addition of renewable power costs will not cause rates to increase beyond 10 percent.
4. *Application of the Initial Cost Limitation.* Application of the rules described above results in a total cost limitation of \$99,387 for Compliance Period 1. Deducting ESPA's purchase of unbundled RECs (PCC3) of \$16,500, leaves a balance of \$82,877 ("Net Cost Limitation Amount"). Based on the foregoing factors and information, and in furtherance of the ESPA Board of Director's policy preference in favor of developing BTM Solar Systems in order to comply with RPS

requirements, the ESPA Board of Directors directs that the Net Cost Limitation Amount be expended or committed as follows:

- i. As a non-refundable advance or option payment toward the purchase or development of a BTM Solar System at or near one of ESPA members' water pumping loads.
- ii. As a non-refundable payment for an engineering or economic study to support the purchase or development of a BTM Solar System at or near one of ESPA members' water pumping loads.
- iii. As a deposit in a non-discretionary, dedicated fund established by the ESPA Manager for the purpose of contributing funds for the purchase or development of a BTM Solar System at or near one of ESPA members' water pumping loads.
- iv. In such other comparable manner, as determined by the ESPA Manager, that reflects the ESPA Board of Director's intent to pursue the near-term purchase or development of a BTM Solar System at or near one of ESPA members' water pumping loads.

5. *Establishment of Cost Limitations for Compliance Period 2 and Compliance Period 3 and thereafter.* The ESPA Board of Directors hereby establishes a cost limitation on the Incremental RPS Procurement Cost for Compliance Period 2 and Compliance Period 3 and thereafter as follows:

- i. During the annual budget approval process, ESPA will apply the cost limitation rules described in Section 11.A.3 and identify the cost limitation for the applicable period ("Additional Cost Limitation Amount").
- ii. ESPA will apply the Additional Cost Limitation Amount in the same manner described in Section 11.A.4 in a manner that best ensures that BTM Solar Systems at or near ESPA members' water pumping loads are developed as soon as reasonably practicable.