

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE STATE OF BAJA CALIFORNIA OF THE UNITED
MEXICAN STATES
AND
THE CALIFORNIA ENERGY COMMISSION OF THE STATE OF CALIFORNIA OF THE
UNITED STATES OF AMERICA

The Government of the State of Baja California of the United Mexican States (State of Baja California) and the California Energy Commission of the State of California of the United States of America (CEC), hereinafter referred to as "the Participants," agree as follows:

WHEREAS California and Baja California are integrally linked socially and economically;

WHEREAS California and Baja California share an electric grid, underscoring the potential to collaborate on renewables development and reliability;

WHEREAS California and Baja California share one of the world's busiest borders underscoring the potential to collaborate on zero-emission mobility and decarbonization of industry;

Therefore, the Participants have reached the following understanding:

SECTION I

Objective

The purpose of this Memorandum of Understanding is to establish a flexible collaboration framework between the Participants to continue to collaborate on clean energy.

SECTION II

Areas of Cooperation

The Participants intend to collaborate on clean energy through initiatives focused particularly



on, but not limited to, the following areas of cooperation:

- a) Decarbonizing electricity grid reliably: Collaborate on development of electricity markets that will maximize system reliability, minimize system costs and aid the transition to renewable electricity.
- b) Zero-emission mobility: Collaborate on zero-emission charging and refueling infrastructure for light, medium, and heavy-duty vehicles crossing the border.
- c) Industrial efficiency: Share best practices on decarbonizing industry to aid in reducing energy demand and decreasing pollution in the border region.
- d) Building efficiency: Share best practices on building energy efficiency, with an emphasis on efficient cooling.
- e) Supply chain development: Increasing resiliency of supply chain for components essential to the clean energy transition, including improving efficiency at land ports of entry where such components cross the border.
- f) Research and development: Support research and development in clean energy and electric mobility.

SECTION III

Coordination

The Participants may create a work plan to implement the areas of cooperation identified in Section II of this Memorandum of Understanding. The CEC and the State of Baja California will also serve as the respective contact points for communication and information exchange, as well as any notice required to be submitted under this Memorandum of Understanding.

CEC:

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SECTION IV

Specific Activities


The Participants may develop the following specific activities to reach the purpose of this Memorandum of Understanding for the areas of cooperation identified in Section II:

- a) Meetings between CEC subject matter experts and officials from the State of Baja California for the purpose of knowledge and best practices transfer.
- b) CEC to assist in coordination of meetings between the State of Baja California and the California Independent System Operator and other entities relevant to electricity market governance.
- c) CEC to assist in coordination of meetings between the State of Baja California and the California Governor's Office of Business and Economic Development on supply chain development.
- d) CEC to assist in coordination of meetings with the California Department of Transportation and other entities relevant to coordination on zero-emission charging and refueling infrastructure for light, medium, and heavy-duty vehicles in the border region.
- e) Facilitation of research by interested universities on relevant subject areas, with an emphasis on energy efficiency of cooling in buildings and industrial decarbonization.

SECTION V

No Legal Obligations, Rights, or Legal Remedies

This Memorandum of Understanding is a voluntary initiative. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever. In addition, the commitments in this Memorandum of Understanding are not conditioned upon reciprocal actions by other Participants; each Participant retains full discretion over implementation of its commitments in light of the Participant's individual circumstances, laws, and policies; and each Participant is free to terminate the Memorandum.



SECTION VI
Availability of Personnel and Resources

This Memorandum of Understanding does not involve the exchange of funds, nor does it represent any obligation of funds by any Participant. All costs that may arise from activities covered by, mentioned in, or pursuant to this Memorandum of Understanding will be assumed by the Participant that incurs them, unless otherwise expressly stated in a future written arrangement in accordance with applicable laws. All activities undertaken pursuant to this Memorandum of Understanding are subject to the availability of funds, personnel, and other resources of each Participant.

The personnel designated by a Participant for the execution of this Memorandum of Understanding will work under the orders and responsibility of that Participant and any other organization or institution to which the personnel already belong, at all times maintaining any preexisting employment relationship only with that Participant and organization or institution, and not with any other Participant.

SECTION VII
Compliance with Applicable Laws

This Memorandum of Understanding will be construed consistent with all applicable laws, and activities undertaken in connection with this Memorandum of Understanding will be subject to, and will be undertaken in a manner consistent with, all otherwise applicable laws.

SECTION VIII
Interpretation and Application

Any difference that may arise in relation to the interpretation or application of this Memorandum of Understanding will be resolved through consultations between the Participants, who will endeavor in good faith to resolve such differences.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive representation of a name.

SECTION IX
Final Provisions

This Memorandum of Understanding is applicable from the date of its signature, for a (4) four-year period, unless renewed or extended by the Participants.

This Memorandum of Understanding may be modified at any time by mutual consent of the Participants. Any modification will be made in writing and specify the date on which such modification is applicable.

Any of the Participants may, at any time, terminate this Memorandum of Understanding by providing written notice to the other Participant. The Participant who intends to terminate this Memorandum of Understanding will endeavor to provide written notice to other Participants, sixty (60) days in advance.

The termination of this Memorandum of Understanding will not affect the conclusion of the cooperation activities that may have been initiated during the time this Memorandum of Understanding is in application, unless the Participants mutually and expressly decide otherwise.

Signed in Sacramento on August 22, 2024 in two original copies in Spanish and English language, both texts being equally valid.

**FOR THE GOVERNMENT OF THE
STATE OF BAJA CALIFORNIA OF THE
UNITED MEXICAN STATES**



JOAQUÍN GUTIÉRREZ LEY

General Director

Energy State Commission of Baja California

**FOR THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA
OF THE UNITED STATES OF
AMERICA**



J. ANDREW MCALLISTER

Commissioner