

PIONEER LOCAL-FIT
Feed-In Tariff for Local Renewable Generation Projects

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I. Qualifications

The Pioneer Local-FIT program provides Applicants the opportunity to sell qualifying energy and associated regulatory products to Pioneer Community Energy (Pioneer) from a suitable small-scale distributed renewable energy generation resource (as outlined in Section II Eligible Resources). This program is open to Eligible Resources with a minimum generating capacity of one Megawatt (MW) and a maximum generating capacity of three (3) MW AC. Furthermore, the project must satisfy the requirements found in Section V of this tariff (Eligibility Criteria). Applicants will be reviewed and processed on a first-come, first-served basis until the Pioneer Board of Directors approved budget has been exhausted. Once either of these thresholds is reached, the program will no longer accept applications. Applicants who are approved for the Pioneer Local-FIT program are required to enter into a non-negotiable long-term power purchase agreement (Pioneer Local-FIT PPA) for a contract length of twenty (20) years.

A Facility wishing to participate in Pioneer Local-FIT program must not be part of a power purchase agreement or a Net Energy Metering agreement with Pioneer for deliveries from the same Eligible Resource.

Pioneer reserves the right to periodically update the tariff, application process, and the terms and conditions of the Pioneer Local-FIT, including modification or termination of the program, in its sole discretion. Pioneer is not bound to any obligation under the Pioneer Local-FIT until both Pioneer and Applicant mutually execute a Pioneer FIT PPA. Pioneer retains full discretion whether to proceed with any application and is under no obligation to enter into a Pioneer FIT PPA with any Applicant.

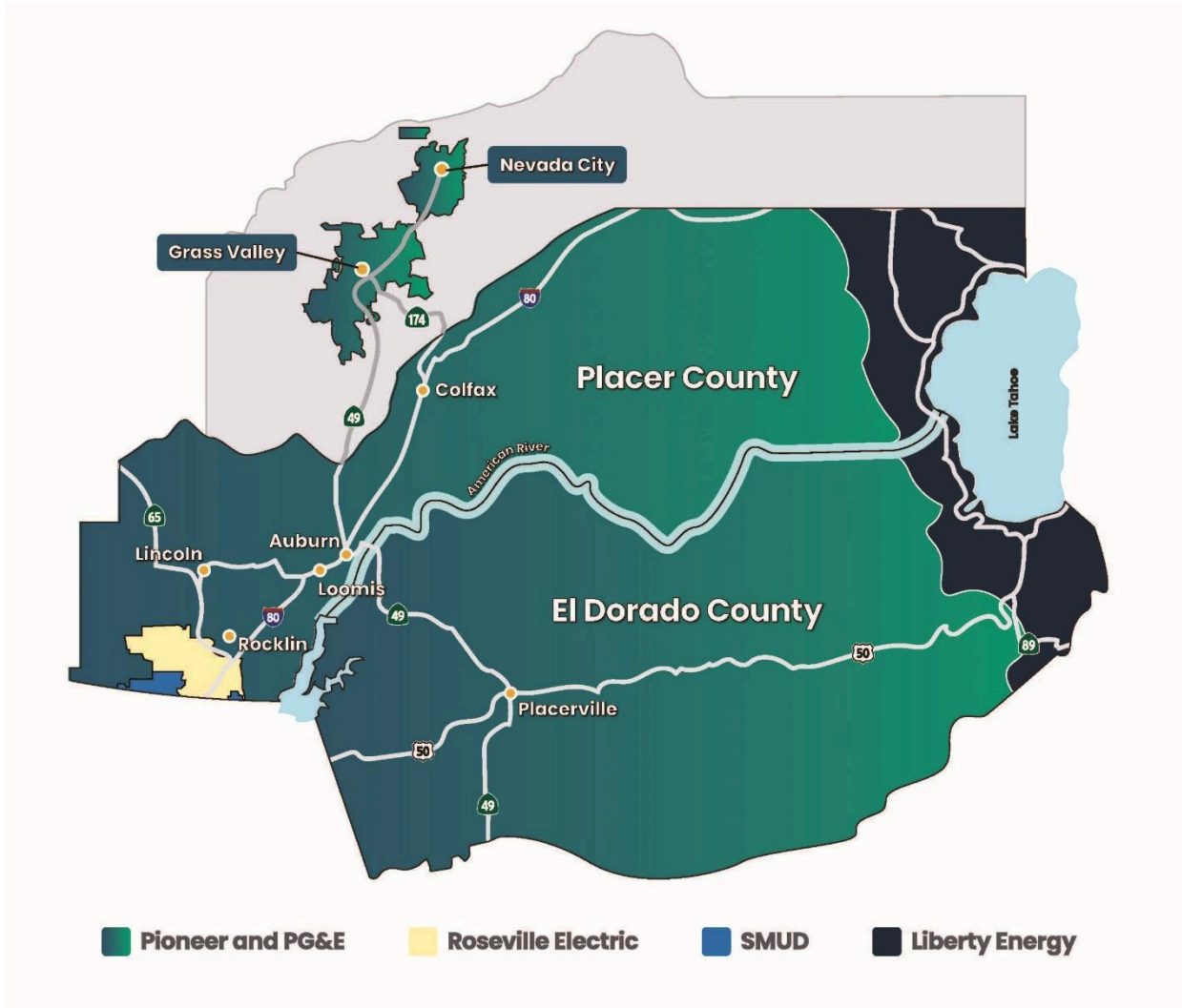
II. Eligible Resource

Under the Pioneer Local-FIT, an Eligible Resource consists of generation technologies defined as an Eligible Renewable Energy Resource in California Public Utilities Code Section 399.12 or Section 399.16 and as described in the most recent edition of the California Energy Commission (CEC) guidebook on the Renewables Portfolio Standard Eligibility. Pioneer will only accept the following renewable resources from Section 399.12:

- Biomass
- Small Hydroelectric

III. Eligible Territory

The Pioneer Local-FIT is applicable to any Facility physically located and interconnected within Pioneer's member jurisdiction service area. This currently includes the cities of Auburn, Colfax, Lincoln, Placerville, Grass Valley, Nevada City, and Rocklin, the town of Loomis, and the unincorporated areas of Placer County and El Dorado County within PG&E service territory.



IV. Terms and Conditions

a) Application

Under the Pioneer Local-FIT, the Applicant must fill out and provide to Pioneer, Pioneer's standard Pioneer Local-FIT application (Application), which is subject to Pioneer's approval or rejection of Applicant's participation in the Pioneer Local-FIT.

b) Contract

Upon approval of Applicant's Application, the Applicant is required to enter into the Pioneer Local-FIT PPA for a fixed delivery term of twenty (20) years from Commercial Operation Date. As part of the Pioneer Local-FIT PPA, the Facility must deliver to Pioneer the agreed-upon generated electricity along with any environmental attributes and Regulatory Products associated with the generated electricity produced by the Facility.

c) Interconnection

The Facility subject to the Pioneer Local-FIT is required to be interconnected within the Eligible Territory and must comply with the appropriate wholesale interconnection procedures established by Pacific Gas and Electric Company's Electric Interconnection group and/or the California Independent System Operator (CAISO), collectively the Interconnection Provider. The Facility shall be subject to all necessary agreements with the Interconnection Provider to establish and maintain interconnection with the transmission or distribution system. A Facility subject to the Pioneer Local-FIT is required to be able to deliver the agreed-upon capacity in the Pioneer Local-FIT PPA as of the Initial Product Delivery Date. Any Facility not meeting the requirements specified in the applicable interconnection procedures of the Interconnection Provider is not eligible to be part of the Pioneer Local-FIT. The Applicant is solely responsible for interconnection of the Facility, including the execution of all requisite agreements.

d) CAISO

The Eligible Resource is required to comply with the CAISO Tariff, including but not limited to independently metering the Eligible Resource using a CAISO revenue meter, executing a CAISO Participating Generator Agreement, executing a CAISO Meter Service Agreement, and executing all other requisite agreements.

e) Metering

The Facility subject to the Pioneer Local-FIT is required to comply with all necessary rules and regulations when installing a meter for full buy/sell or excess sale agreements. The meter must be able to be read daily by means acceptable to the Interconnection Provider and Pioneer. Said meter must be a revenue-grade meter capable of separately metering the Facility and (unless approved by Pioneer) must be installed on the high side of the Facility's step-up transformer. The Applicant is responsible for procuring and maintaining any and all communication systems required by the Interconnection Provider and Pioneer for retrieving meter data. All costs relating to the installation of the meter are the responsibility of the Applicant.

f) Permitting

A Pioneer Local-FIT Applicant is required to obtain all necessary permits from the requisite jurisdictional agency exercising authority over the subject matter and shall maintain said permits, as may be required, for the duration of the Pioneer Local-FIT PPA. After execution of the Pioneer Local-FIT PPA, the counterparty (previously the Applicant) must inform Pioneer of the progress of obtaining and keeping said permits.

g) Local Employment

Applicant must ensure that fifty percent (50%) of the construction work hours from its workforce (including contractors and subcontractors) providing work and services at the project site are sourced

from permanent residents residing within Pioneer’s Service Area (see Section III). The Construction Phase begins from the general contractor providing the full Notice to Proceed (NTP) and concludes at the receipt of a Permission To Operate letter (PTO) from the Interconnection Provider. Furthermore, construction of the Facility must adhere to any specific local hiring regulations applicable to the city, town, and county where the Facility is located.

Furthermore, the Applicant must guarantee that all employees hired by Applicant, as well as its contractors and subcontractors, who are working or providing services at the project site during the Construction Phase, receive wages at rates equal to or higher than the prevailing wages for workers performing similar tasks in the area, as stated in Division 2, Part 7, Chapter 2 of the California Labor Code (“Prevailing Wage Requirement”). Nothing herein will require Applicant, its contractors and subcontractors to comply with or assume liability created by other inapplicable provisions of the California Labor Code.

h) Site

There can be only one exporting renewable energy facility, including the Eligible Resource, being developed or operating on or adjacent to an Assessor Parcel Number (APN) occupied, in part or fully, by the Facility.

V. Eligibility Criteria

a) Capacity

The nameplate capacity of the Eligible Resource must be at least one (1) MW, and the total capacity of the Eligible Resource cannot exceed three (3) MW.

b) Location

The Facility must be physically located and interconnected within the Eligible Territory (see Section III above).

c) Eligible Renewable Resource

The Eligible Resource must utilize a fuel source meeting the eligibility criteria found in the CEC’s most recent edition of the RPS Eligibility guidebook (see Section II above).

d) Interconnection

As part of the Application, the Applicant must provide documentation showing that the Facility has (i) passed all Fast Track screens, (ii) passed Supplemental Review, (iii) completed a System Impact Study in the Independent Study process, or (iv) completed a Phase 1 Study in the Cluster Study Process with the Interconnection Provider. Defined Terms that are not defined in the Pioneer Local-FIT have the meaning provided in the Interconnection Provider’s applicable tariff.

e) Deliverability Status

Applicant must prove that at the time of submitting the Application, the Facility has, or will have, Full Capacity Deliverability by the Commercial Operation Date equal to no less than the installed generating capacity of the Facility.

f) Site Control

At the time of application submission, Applicant must provide documentary proof demonstrating full site control via ownership, lease, or an option to lease.

g) Previous Experience

As part of the Application, Applicant must provide three (3) references demonstrating successful completion of renewable energy projects. Failure to meet this requirement does not preclude Applicant from being accepted to participate in the Pioneer Local-FIT as long as Applicant is working with an established renewable energy project developer.

h) Related Applications or Executed Pioneer FIT PPAs

The Applicant must disclose any related entities, including but not limited to, Affiliates, Subsidiaries, or Parent companies, that have submitted or are intending to submit a Pioneer Local-FIT Application and have received or have entered into a Pioneer Local-FIT PPA. If Applicant has a preference for which Pioneer Local-FIT Application they wish to be chosen, the preference should be stated on their Application. Pioneer reserves the right to decline a Pioneer Local-FIT Application of any Applicant if Pioneer has extended a Pioneer Local-FIT PPA to an affiliated entity of the Applicant.

i) Description of Facility

At the time of submission, the Applicant must include with their Application:

- (i) A scaled map of the Facility site, displaying the layout of all key components of the Facility. This map should include the Facility name, nameplate capacity of the eligible resource in both DC and AC, and the latitude and longitude coordinates of the Eligible Resource's location. Major cross streets should be marked, and the outer boundary of the Facility, along with all Assessor Parcel Numbers encompassing and adjacent to the facility, should be identified.
- (ii) A single-line diagram that encompasses the Facility's point of interconnection.

j) Assessment of Eligibility Criteria

All decisions and determinations made by Pioneer regarding the interpretation of the foregoing eligibility criteria, and the Applicant's satisfaction thereof, are final.

VI. Pioneer Local-FIT Application Assessment

a) Queue Assignment

Pioneer will manage the Pioneer Local-FIT queue in the order of submission, following a first-come, first-served approach. The position in the queue will be determined by the date and time of submission of a complete and compliant Pioneer Local-FIT Application, as evaluated by Pioneer in a reasonable manner. Application should be sent to the email address specified in the Pioneer Local-FIT Application.

b) Review and Cure Period

Upon receiving the Application, Pioneer will conduct a review to assess the Application for any missing information. If any deficiencies are identified by Pioneer, the Applicant will be notified and granted a ten (10) business day period (Cure Period) to rectify the identified issues while retaining their position in the queue. Failure to address the identified issues in the Application during the Cure Period will result in forfeiture of the Applicant's position in the queue.

If Pioneer finds a material deficiency in the Application during the review, the Applicant will be notified of the incomplete application. Further assessment of the application will cease, and no queue position will be assigned. The Applicant may reapply to participate in the Pioneer Local-FIT program once all issues have been resolved. At that time, a queue position will be allocated to the Applicant, subject to Pioneer's current capacity and budgetary availability.

Please note that all determinations made by Pioneer regarding completeness of a Pioneer Local-FIT Application are considered final. Once Pioneer has assessed the Application and deems it complete, Pioneer will notify the Applicant of their assigned position in the Pioneer Local-FIT queue.

c) Non-transferability of Queue Position

The queue position is tied to the designated location of the Facility as initially specified in the original Application. Any alteration of the Facility's location is regarded as a new resource, necessitating the submission of a new Pioneer Local-FIT Application.

VII. Payment

Under the Pioneer Local-FIT, Pioneer will compensate for all energy, environmental attributes, and capacity. This compensation will be based on the metered energy quantities multiplied by the Contract Price for the Delivery Term specified in the Pioneer Local-FIT PPA. The program sets annual limits on the amount of energy that is eligible for payment. The contract prices are found in Section VIII and will also be outlined in the Pioneer Local-FIT PPA.

VIII. Contract Price

Pioneer will pay the Counterparty (previously the Applicant) the following prices per generation technology for energy and associated regulatory products:

Category	Price
Brownfield Biomass	
Agriculture Feedstock	\$115 per MWh
Forestry Feedstock	\$135 per MWh
Greenfield Biomass	
Agriculture Feedstock	\$185 per MWh
Forestry Feedstock	\$200 per MWh
Small Hydroelectric	\$90 per MWh

IX. Glossary

AC means Alternating Current

Affiliates means, with respect to any Person, each Person that directly or indirectly controls, is controlled by, or is under common control with such designated Person. For purposes of this definition and the definition of “Permitted Transferee”, “control”, “controlled by”, and “under common control with”, as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other ownership interest in such Person, or (b) the right to direct the policies or operations of such Person.

Applicant means a person or entity that is in the process of submitting or has submitted a Pioneer Local-FIT Application.

Application means the Pioneer Local-FIT Application, which can be found on the Pioneer website.

Assessor Parcel Number means the number assigned to a piece of real property by the relevant tax assessor.

Brownfield Biomass means a Biomass facility on a piece of real property that has been abandoned or underutilized due to pollution from industrial waste.

CAISO means the California Independent System Operator.

CAISO Meter Service Agreement means the Meter Service Agreement administered by CAISO found on their website.

CAISO Participating Generator Agreement means the Participating Generator Agreement administered by CAISO as found on their website.

Cluster Study Process means the interconnection study process as administered by CAISO or PG&E.

Commercial Operation Date means the date on all conditions precedent to commercial operation of the Facility have been achieved and operation has begun.

Contract Price means the prices described in Section VIII. There will be no escalation of prices during the Delivery Term.

Counterparty means the Applicant has successfully submitted a Pioneer Local-FIT Application, and Pioneer has chosen the Applicant to execute a Pioneer Local-FIT PPA.

Cure Period means the period in time in which the Applicant is able to make corrections to a deficient Application as described in Section VI (b).

DC means Direct Current.

Delivery Term means the period of time found in the Pioneer Local-FIT PPA in which the Counterparty must deliver the requisite Energy and Regulatory products to Pioneer.

Eligible Renewable Energy Resource means the definition provided in California Public Utilities Code Section 399.12 or Section 399.16 and as described in the most recent edition of the California Energy Commission (CEC) guidebook on the Renewables Portfolio Standard Eligibility.

Eligible Resources means the requirements described in Section II.

Eligible Territory means the requirements described in Section III.

Facility means the renewable energy electricity generating facility described in the Application.

Fast Track Process means the relevant interconnection process as found on the CAISO website or PG&E website.

Greenfield Biomass means a biomass facility to be built on a previously undeveloped site.

Independent Study means the relevant interconnection process as found on the CAISO website or PG&E website.

Interconnection Provider means the definition provided in Section IV(c).

Megawatt means 1,000,000 watts of electrical power.

Net Energy Metering means the type of agreements described by the CPUC as found on their website.

Notice to Proceed (NTP) means a notification letter indicating that performance should begin under a construction contract.

Parent Companies means a single entity that has a controlling interest in another company.

Permission To Operate means a letter from the relevant Interconnection Provider granting permission to connect to the grid.

Phase 1 Study means the relevant interconnection process as found on the CAISO website or PG&E website.

Pioneer means Pioneer Community Energy.

Power Purchase Agreement means an agreement to purchase energy and related regulatory products.

Subsidiaries means an entity that has more than 50% of its ownership held by another singular entity.

Supplemental Review means the relevant interconnection process as found on the CAISO website or PG&E website.

System Impact Study means the relevant interconnection process as found on the CAISO website or PG&E website.