

EXHIBIT "A"

SCOPE OF SERVICES

Pacific Energy Advisors (“CONSULTANT”) shall maintain separate costs for each project and shall identify the costs specific to each project.

The work to be performed under this contract shall include:

Consulting Services Related to Rate Setting, Financial Modeling, Regulatory Compliance, Program Development and Project Implementation Support

- 1) CONSULTANT will work with City of Lancaster (“OWNER”) to complete any outstanding tasks related to the design of retail electric rates to be effective at the launch of the City of Lancaster’s CCA program.
- 2) CONTRACTOR will develop a financial pro forma model for OWNER to assist in program financial planning and rate setting. The financial model will project program revenues, power supply costs, staffing and other expenses, debt service, and reserves on a monthly basis for a five-year forecast period. CONTRACTOR will coordinate with OWNER’S finance staff to develop budgeted amounts for non-power supply expenses or to incorporate existing budgetary figures into the model. CONTRACTOR will project power supply and related expenses consistent with any power supply contracts entered into by OWNER in relation to the City of Lancaster’s CCA program, supplemented with CONTRACTOR assumptions for market purchases/sales and grid-related charges from the California Independent System Operator (“CAISO”). Monthly revenue and sales projections will support detailed program budgeting and close monitoring of financial performance. The financial model will also include a monthly cash flow module, taking into consideration reasonable assumptions for customer payment lags and timing for payment of power supply and other expenses.
- 3) To assist in the administration of OWNER’S regulatory compliance program associated with CCA program operation, CONTRACTOR will provide a regulatory compliance calendar articulating key compliance requirements and deadlines associated with acting as a CCA. CONTRACTOR will assist the OWNER in developing compliance filings that are required in advance of initiating service to customers, such as those required under the state’s Resource Adequacy program. CONTRACTOR will assist OWNER in registering with systems, such as Western Renewable Generation Information System (“WREGIS”), necessary to accept transfers of renewable energy certificates for purposes of demonstrating compliance with California’s Renewables Portfolio Standard program. CONTRACTOR will also assist the OWNER in understanding the requirements for becoming eligible to receive Congestion Revenue Rights by becoming a CRR Holder through the CAISO as well as other compliance obligations that may become applicable to OWNER during the term of this Agreement.

- 4) CONTRACTOR will work with the OWNER to understand what, if any, programs are planned to be offered by OWNER when initial service commences in May 2015. Such programs may include net energy metering, voluntary green pricing, feed-in-tariffs, or other related programs and product offerings. CONTRACTOR would be able to work with the OWNER to develop these programs and related rules, tariffs or contracts.
- 5) CONSULTANT will provide as-needed consultation and interface with program management staff, data management contractor, selected energy supplier(s) and scheduling coordinator(s) and other implementation team members to support the successful launch of the program.