# T R A N S M I T T A L

| TO | DATE |
| --- | --- |
| Department of Water and Power | 07/17/2026 |

FROM
The Mayor

**REQUEST FOR SECOND AMENDMENT TO GOVERNANCE AGREEMENT FOR STATEWIDE CLEAN FUEL REWARDS PROGRAM / PEX-2026-01**

ED15 approved and transmitted for further processing.

Mitch Kamin

MAYOR
(Mitch Kamin for)

Los Angeles Department of Water & Power
BUILDING A STRONGER L.A.



July 9, 2026

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
Mail Stop 370

Attention: Legislative Coordinator

Dear Mayor Bass:

Subject: Second Amendment to Governance Agreement for Statewide Clean Fuel Rewards Program / PEX-2026-01

In accordance with Executive Directive No. 15 (ED-15), enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of the Second Amendment to the Clean Fuel Rewards Program Governance Agreement.

It is respectfully requested that your office complete its review within 15 business days from the submission date of this correspondence to your office, per ED-15. If additional time is required for your review, or as applicable, the Office of the City Administrative Officer, please contact me at (213) 367-1338.

Once we have received approval from your office, the matter will be scheduled for action by the Los Angeles Board of Water and Power Commissioners and forwarded to the Los Angeles City Council for final consideration.

If you have any questions or need additional information regarding this matter, and upon completion of the review process, please contact Mr. Paul Habib, Director of Legislative and Intergovernmental Affairs, at (213) 367-3846.

Sincerely,

David Hanson (Jun 29, 2026 14:23:36 EDT)

David W. Hanson
Interim General Manager

STM:ps
Enclosures
c/enc: Mr. Luis I. Gutierrez, Office of the Mayor
Mr. Tim O'Connor, Office of Public Accountability
Board of Water and Power Commissioners
Mr. Paul Habib

**Los Angeles Department of Water & Power**

**RESOLUTION NO.** ________________

**BOARD LETTER APPROVAL**

Jason Rondou (Jun 15, 2026 16:31:36 PDT)

**JASON L. RONDOU**
**Interim Chief Operating Officer and**
**Senior Assistant General Manager – Power System**

David Hanson (Jun 29, 2026 14:23:36 EDT)

**DAVID W. HANSON**
**Interim General Manager**

**DATE:** June 18, 2026

**SUBJECT:** Second Amendment to Governance Agreement for Statewide Clean Fuel Rewards Program


**SUMMARY**

On January 28, 2020, the Board of Water and Power Commissioners (Board) approved the Governance Agreement authorizing LADWP's participation in a State of California (State)-wide Clean Fuel Reward (CFR) program as established by the California Air Resources Board (CARB). The Governance Agreement allows LADWP to allocate a specific portion of its Low Carbon Fuel Standards (LCFS) proceeds as required by CARB to the CFR program which provides cost-effective and meaningful financial incentives to customers that are purchasing or leasing new plug-in electric and electric hybrid vehicles. The Governance Agreement was amended on May 12, 2020, to authorize LADWP as the Designated Account Holder of the program funds, as acknowledged and recommended by the program participants. This alleviated tax burdens on the CFR Program and allowed additional funds to be allocated to the CFR Program. LADWP was to be reimbursed for any incremental costs associated with this function.

The Governance Agreement confirmed LADWP's participation in the program for five years, which participation expired on January 28, 2025. Additionally, in 2024, CARB amended the LCFS regulations to orient the CFR program to offset the costs of medium and heavy-duty electric vehicles. LADWP now seeks to extend its participation in and ratify the Governance Agreement to maintain its participation in the Governance Agreement through January 28, 2030. The Second Amendment to the Governance Agreement (Second Amendment) would accomplish that goal as well as incorporate the 2024 amendments to the Low Carbon Fuel Standard regulations orienting the program to lower the price of medium and heavy-duty electric vehicles as well as electric motorcycles.

City Council approval is required per Charter Section 373.

## RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council approval, pursuant to Charter Section 373, of the Second Amendment to the Governance Agreement and authorization of LADWP's retroactive participation in the CFR program and as the Designated Account Holder of the program funds.

## ALTERNATIVES CONSIDERED

LADWP can opt out of participation in the CFR program, or the Board cannot adopt the Second Amendment to the Governance Agreement. However, this is anticipated to lower the amount of funds available to state for converting a heavily polluting economic sector to zero emissions which disproportionately affects low-income communities adjacent to freeways within Los Angeles. LADWP will also lose base credits from the LCFS program which will heavily impact how electric transportation programs and projects are funded, potentially shifting costs to ratepayers.

## FINANCIAL INFORMATION

LADWP does not anticipate any additional costs associated with its role as the Designated Account Holder and the adoption of the Second Amendment of the Governance Agreement. However, if there are any, the First Amendment already provides LADWP with full reimbursement of any incremental expenses.

## BACKGROUND

CARB originally adopted the LCFS regulations in 2009 (amended in 2011, re-adopted in 2015) to reduce the carbon intensity (CI) of transportation fuel by at least 10 percent by 2020. Under the Assembly Bill 32 Scoping Plan, the LCFS regulation is one of the nine discrete early action measures to reduce California's greenhouse gas emissions associated with climate change, and the regulation is expected to continue until at least 2030. CI is determined through a life cycle analysis measuring the amount of carbon generated during the extraction, production, transportation, and combustion of a fuel. The LCFS regulation sets annual CI standards for gasoline, diesel, and the fuels that replace them. Providers of most petroleum and biofuels are regulated parties and are required under this regulation to either provide low carbon fuel or purchase LCFS credits generated through low CI fuels to offset their high carbon fuel.

Following a stakeholder process in 2018, CARB adopted amendments to the LCFS regulation, including initiating a statewide electric utility-run point-of-purchase vehicle program, also known as a CFR program. This program is funded by the LCFS proceeds to be managed and funded by Investor-Owned Utilities (IOUs) and Publicly Owned Utilities (POUs), as required by CARB.

On January 28, 2020, the Board approved the Governance Agreement pursuant to Resolution No. 020-127 authorizing LADWP to sign into the program for a five-year term. Initial program participants included LADWP, Sacramento Municipal Utility District, Pacific Gas and Electric Company, Southern California Edison Company (SCE), and San Diego Gas & Electric Company. SCE currently serves as the Program Administrator for the CFR Program, in accordance with the Governance Agreement after execution by all of the initial participants.

On May 12, 2020, the Board approved the first amendment to the Governance Agreement pursuant to Resolution 020-202 which designated LADWP as the account holder for the CFR Program. LADWP became the account holder for the program due to potential taxes the investor-owned utilities would need to pay as the account holder of the CFR Program. LADWP is more favorably positioned for tax purposes due to its status as a POU and allows for additional funds to be made available to the CFR Program. The CFR Program participants agreed that it is reasonable for LADWP to be granted appropriate expense reimbursements, release and indemnity protections as the Designated Account Holder similar to those provided SCE, as Program Administrator.

On November 8, 2024, CARB approved amendments to the LCFS regulations which went into effect on July 1, 2025. Part of the amendments to the LCFS regulations converted the CFR Program to be a point of purchase rebate program from light duty electric vehicles to medium and heavy-duty electric vehicles and include electric motorcycles. Part of these amendments also affected LADWP's contribution from 45 percent of LCFS credits to 25 percent.

The Second Amendment to the Governance Agreement also ratifies and extends LADWP's participation in the agreement to a ten-year term through January 28, 2030.

**ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b) (3). It has been determined that the use of proceeds from the sale of LCFS credits is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b) (3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Second Amendment to the Governance Agreement and Resolution as to form and legality.

## ATTACHMENTS

- Resolution
- Second Amendment to the Governance Agreement

WHEREAS, the California Air Resources Board (CARB), pursuant to California Assembly Bill (AB) 32 and the Governor's Executive Order S-01-07, established the Low Carbon Fuels Standard (LCFS) Regulation (Cal. Code Regs., tit. 17, § 95480 et seq.) to reduce the carbon intensity of transportation fuels (CI) used in California, thereby reducing greenhouse gas (GHG) emissions; and

WHEREAS, producers and importers of transportation fuels in California must demonstrate annual percentage reductions in CI until meeting a ten percent reduction by 2020 and twenty percent by 2030 from a 2010 baseline; and

WHEREAS, regulated entities can reduce their CI by procuring or generating LCFS credits, where LCFS credits may be generated by displacing the use of gasoline or diesel with fuels having a lower CI; and

WHEREAS, entities not otherwise regulated under the LCFS regulation may opt into the program to generate LCFS credits, which LADWP has done and has been generating LCFS credits through the charging of electric vehicles (EVs) using grid electricity and operating a fleet of compressed natural gas vehicles; and

WHEREAS, LADWP's Board of Water and Power Commissioners (Board), adopted an Environmental Credit and Renewable Energy Credit Policy in 2013, the Los Angeles City Council adopted an ordinance authorizing the Board and LADWP's General Manager to enter into contracts and financial transactions for environmental credits, including LCFS credits; and

WHEREAS, the LCFS regulation requires utilities, as opt-in regulated credit generators for residential EV charging, to, among other requirements, use credit proceeds to benefit current or future EV customers in California; and

WHEREAS, in 2018 CARB sought to create a statewide point-of-purchase rebate program including initiating a statewide electric utility-run point-of-purchase vehicle program, also known as the Clean Fuel Reward (CFR) Program funded with LCFS credit revenue; and

WHEREAS, LADWP, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company (SCE), and Sacramento Municipal Utility District (SMUD) (collectively, "Initial Participants") agreed to manage the CFR Program with initial contributions and a contract called a Governance Agreement; and

WHEREAS, this Board approved the Governance Agreement on January 28, 2020, via Board Resolution Number 020 127, authorizing LADWP to draw demands on LCFS proceeds from the Power Revenue Fund and transfer those funds to SCE as the initial Program Administrator for the CFR Program; and

WHEREAS, SCE, as Program Administrator, and CARB, requested LADWP to hold the LCFS funds for all participants in accordance with the Governance Agreement for added benefits to the CFR Program; and

WHEREAS this Board approved an amendment to the Governance Agreement on May 12, 2020 via Board Resolution Number 020 202, adding LADWP as the Designated Account Holder for the Program Funds Account and providing LADWP with expense reimbursements, as well as release and indemnity protections in connection therewith similar to those provided to SCE in its role as Program Administrator; and

WHEREAS, CARB amended the LCFS regulations on November 8, 2024, which took effect July 1, 2025, modifying the CFR Program to be a point of purchase rebate for medium/heavy duty electric vehicles as well as electric motorcycles and lowering contributions to the CFR Program (CARB Amendments); and

WHEREAS, the Governance Agreement needs to be amended to address the CARB Amendments and to ratify and extend LADWP's participation (Second Amendment) thru January 28, 2030.

NOW, THEREFORE, BE IT RESOLVED that the Second Amendment and underlying Governance Agreement, copies of which are on file with the Secretary of the Board, approved as to form and legality by the City Attorney, be and the same are hereby approved and ratified.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, after approval of the Second Amendment to the Governance Agreement, and upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund exclusively using proceeds from LCFS funds in accordance with the Governance Agreement, as amended, from time to time, including the Second Amendment to the Governance Agreement.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute the Second Amendment to the Governance Agreement for the CFR Program for and on behalf of LADWP upon approval and ratification by the City Council pursuant to City Charter Section 373.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

APPROVED AS TO FORM AND LEGALITY
HYDEE FELDSTEIN SOTO, CITY ATTORNEY
APRIL 22, 2026

BY ______________________
VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY

______________________
Secretary

**SECOND AMENDMENT TO THE CLEAN FUEL REWARD PROGRAM GOVERNANCE AGREEMENT**

This Second Amendment (this "Amendment") to the Clean Fuel Reward Program Governance Agreement, dated as of March 3, 2020, as amended by the First Amendment to the Clean Fuel Reward Program Governance Agreement, dated as of June 18, 2020 (the "Governance Agreement"), is made and entered into as of [•] [•], 2025 (the "Amendment 2 Effective Date"), by and among the undersigned Participating EDUs whose names appear on the signature pages hereto (the "Signing Participating EDUs"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Governance Agreement.

WHEREAS, the Signing Participating EDUs entered into the Agreement to set forth the terms and conditions to, among other related issues, establish and fund the CFR Program, per the direction of CARB, in an effort to accelerate the progress towards achieving the state and national clean energy and environmental policies through the execution of this Agreement in compliance with CARB's directives, including but not limited to implementation of a sliding-scale incentive program based on the ZEV's all-electric operating range and equity for all customers;

WHEREAS, on November 8, 2024 CARB adopted amendments to LCFS Regulation that redefined the CFR Program as "a statewide program established by EDUs to provide a reduction in price for new and/or used commercial medium- or heavy duty electric vehicles and for battery electric motorcycles in California." The updated LCFS Regulation became effective on July 1, 2025.

WHEREAS, the Parties have determined that the Agreement requires various amendments to effectuate the amended LCFS Regulation and reflect the new focus on new and/or used commercial medium-or heavy duty ZEVs.

WHEREAS, CARB has approved the amendments to the Governance Agreement set forth herein; and

WHEREAS, the Signing Participating EDUs have agreed to modify and amend the Governance Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties executing this Amendment as Signing Participating EDUs, intending to be legally bound hereby and intending to bind all Participating EDUs in accordance with Section 10.7 of the Governance Agreement, hereby agree as follows:

**ARTICLE I**
**AMENDMENT OF GOVERNANCE AGREEMENT**

The Governance Agreement is hereby amended, effective as of the Amendment Date, as set forth in this Article I.

1.1. Amendments to the Recitals of the Governance Agreement

In the Preamble to the Agreement, the Second Recital is hereby amended and replaced in its entirety with the following:

WHEREAS, on September 27, 2018 and November 8, 2024, respectively, CARB adopted amendments to the LCFS Regulation mandating the development and implementation of a statewide, common-design, EDU-run program to reduce the price of purchased and leased light-duty, zero emission, plug-in electric and electric hybrid vehicles initially (2018), and then (2024) new and/or used commercial medium- or heavy duty zero emission electric vehicles and battery electric motorcycles (together, "**ZEVs**") at the point of sale that is funded by EDUs' LCFS Base Credit revenues that are assigned to the statewide program according to provisions in California Code of Regulations Title 13 sections 95481 and section 95483(c), and the Parties have agreed that the name for this program shall be the *Clean Fuel Reward Program* ("**CFR Program**").

1.2. Amendments to Section 1.1 of the Governance Agreement.

(a) Delete Section 1.1 of the Governance Agreement in its entirety and replace it with Section 1.1 (Revised) set forth as Appendix C to this Amendment.

(b) Replacing "Large EDU Members" with "Principal EDU Members". As of the Amendment 2 Effective Date, all references to "Large EDU Members" in the Governance Agreement shall be deemed to refer to "Principal EDU Members."

(c) Replacing "Large EDUs" with "Principal EDUs". As of the Amendment 2 Effective Date, all references to "Large EDUs" in the Governance Agreement shall be deemed to refer to "Principal EDUs."

(d) Replacing "Small EDU Members" with "Supporting EDU Members". As of the Amendment 2 Effective Date, all references to "Small EDU Members" in the Governance Agreement shall be deemed to refer to "Supporting EDU Members."

1.3. Section 3.3(d)(iii) of the Governance Agreement is hereby amended and replaced in its entirety by the following:

(iii) approving the initial CFR rebate amount ("**Reward Amount**") and approving any required adjustments thereto or in the method of payment of any Reward Amounts or in the eligibility criteria of any Reward Amount recipient as specified by the LCFS Regulation, in each case as recommended by the Program Administrator following CARB approval of the methodology for determining the Reward Amount and recipient eligibility;

1.4. Section 3.4(b) of the Governance Agreement is hereby amended and replaced in its entirety by the following:

(b) The purpose and role of the Advisory Committee will be to provide feedback to the Steering Committee on CFR Program performance and on market and industry trends and best practices to ensure a successful program. The Advisory Committee shall provide such information and feedback to the Steering Committee, and may make recommendations to the

Steering Committee on program implementation, in response to consumer and dealer feedback, on metrics needed to evaluate program effectiveness and on CFR Program or process improvement, as well as on the types of incentives the CFR Program should offer and recommendations on Reward Amounts. The Advisory Committee shall have no management, operational, or decision-making power or authority, or any other type of power or authority, with respect to the CFR Program and neither the Steering Committee nor the Program Administrator shall be required to implement or follow any recommendations made by the Advisory Committee.

1.5. Section 3.4(c) of the Governance Agreement is hereby amended to modify the minimum number of meetings required by Section 3.4(c) to be once a year, rather than twice a year, and Section 3.4(c) is replaced in its entirety by the following:

(c) The Advisory Committee and Steering Committee will meet or have conference calls or electronic meetings not less than once a year to share feedback on CFR Program performance. The Steering Committee shall inform the Advisory Committee, by way of written or electronic notice to all members of the Advisory Committee or at an in-person, telephonic or electronic meeting of the Advisory Committee, prior to effecting any adjustment to the Reward Amount.

1.6. Section 5.2 of the Governance Agreement is hereby amended to reflect that the Administrative Expenses for any calendar year may not exceed ten percent (10%) of the total aggregate contributions to the CFR Program, rather than the total budget, for such calendar year, and Section 5.2 is replaced in its entirety by the following:

5.2 Payment/Reimbursement of Administrative Expenses. The Program Administrator (unless it is a Third Party Program Administrator) upon approval by the Steering Committee is hereby authorized to (i) pay Administrative Expenses directly from Program Funds, and (ii) reimburse itself for any Administrative Expenses paid or incurred by the Program Administrator (or any of its Affiliates), in each case from Program Funds in the Program Funds Account or the Disbursement Account, as the case may be, and to transfer amounts from any Deposit Account into the Disbursement Account in order to make such payments and reimbursements, in each case in accordance with the provisions of ARTICLE 6. below and the Master Account Agreement; provided that the total amount of such payments and reimbursements of Administrative Expenses made by the Program Administrator in any calendar year following approval of the invoice therefor by the Steering Committee or CARB in accordance with the provisions of ARTICLE 6 shall in no event exceed five percent (5%) (as such percentage may be adjusted pursuant to the following provisions of this Section 5.2, the "**Percentage Target**") of the total aggregate contributions to the CFR Program for such calendar year. The Program Administrator and the Steering Committee shall monitor the aggregate amount of payments and reimbursements of Administrative Expenses approved and made in each calendar year to ensure that aggregate Administrative Expenses payments and reimbursements made in such calendar year do not exceed the Percentage Target. Given that the Parties cannot predict with any degree of accuracy what the actual annual Administrative Expenses will be until the RFP/RFI processes have concluded and the Implementers have been engaged, upon the request of the Program Administrator, but subject to the prior submission to, and approval by, CARB, following the process outlined in the LCFS Regulation, and the CPUC of a Tier 2 advice letter if still required in connection therewith by the provisions of ordering paragraph 6 or ordering paragraph 7 of CPUC Resolution E-5015, the Steering Committee is hereby authorized to increase (but not decrease) the Percentage Target from time to time to ensure that all Administrative Expenses incurred in each calendar year are authorized to be paid or reimbursed, as the case may be, in a timely fashion and when due. Notwithstanding the foregoing, the provisions of this Section 5.2 shall not apply to any Third Party Program Administrator, as the terms and conditions on which any Third Party Administrator may handle or administrator any Program Funds or Accounts shall be set forth in and governed by the applicable Program Agreement(s) entered into with such Third Party Program Administrator.

1.7. Section 5.3 of the Governance Agreement is hereby amended and replaced in its entirety by the following:

5.3 Start-Up Funding. To fund the initial start-up costs of the CFR Program, including the amounts necessary to pay all Administrative Expenses and all Reward Amount reimbursement payments to ZEV dealers and to fund the initial Reserve Amount during the start-up phase of the CFR Program, the Participating EDUs will contribute a total of Fifty Million Dollars ($50,000,000) in initial EDU Contributions in the aggregate (assuming full participation by all eligible EDUs in the CFR Program). Each Participating EDU shall be required to fund the amount set forth opposite such Participating EDU's name on Appendix A hereto as its initial EDU Contribution (the "**Initial EDU Contributions**"). Following the establishment of the initial Account structure for the CFR Program in accordance with the provisions of Section 4.3 each Principal EDU shall be required to deposit the amount of its Initial EDU Contribution into its EDU Contribution Account (which shall be the applicable Program Funds Account, Collective Deposit Account or Individual Deposit Account designated for such Principal EDU in accordance with the instructions of the Program Administrator), no later than sixty (60) days following the date on which the Master Account Agreement is executed by the Program Administrator and the Financial Institution (the "**Initial Funding Date**"). In the event the Account structure includes an Individual Deposit Account for such Principal EDU, such Principal EDU shall also execute and deliver its Individual Deposit Agreement to the Financial Institution on or prior to the earlier to occur of the Initial Funding Date and the date on which it makes its Initial EDU Contribution. Each other Participating EDU besides the Principal EDUs shall be required (a) to deposit the amount of its Initial EDU Contribution into its EDU Contribution Account, which shall be the applicable Program Funds Account, Collective Deposit Account or Individual Deposit Account designated for such Participating EDU in accordance with the instructions of the Program Administrator, and (b) if such Program Administrator instructions provide that an Individual Deposit Account be established for such Participating EDU, such Participating EDU shall also execute and deliver its Individual Deposit Agreement to the Financial Institution, in each case for both clauses (a) and (b), no later than the dates identified in Appendix A for all Participating EDUs identified as Supporting EDUs; provided that if such other Participating EDU has not executed and delivered its Joinder to become a Party to this Agreement pursuant to Section 2.2 on or prior to its initial funding date as defined in Appendix A, then such Participating EDU shall have until the first anniversary of the date of its Joinder to deposit the amount of its Initial EDU Contribution into its EDU Contribution Account and, if applicable, to execute and deliver its Individual Deposit Account Agreement to the Financial Institution unless other instructions are received from CARB and implemented by the Steering Committee.

1.8. The first paragraph of Section 5.4 of the Governance Agreement is hereby amended and replaced in its entirety by the following:

5.4 Periodic Funding Requirements. Each Participating EDU hereby covenants and agrees that, upon and following such Participating EDU's execution of this Agreement, in addition to making its required Initial EDU Contribution, it will also make additional aggregate EDU Contributions to its EDU Contribution Account during each calendar year in an amount equal to or greater than the applicable required percentage for such year of LCFS Credit Revenue generated by such Participating EDU during such calendar year as set forth in accordance with the currently effective LCFS Regulation (the "**Required Percentage**").

1.9. Section 5.4(a) of the Governance Agreement is hereby amended to add "if any" in the lines 2-3 referring to the obligation to identify and track all Earmarked Credits and in line 11-12 referring to Participating EDUs obligation to deposit its Required Percentage into the required account, and Section 5.4(b) is replaced in its entirety by the following:

(a) Other Participating EDUs' Periodic EDU Contributions. Each EDU that is not a Principal EDU shall be responsible for (i) identifying and tracking all Earmarked Credits, if any, deposited into its LCFS balancing account by CARB at any time on or after the Final CPUC Approval Date, and (ii) within sixty (60) days following such EDU's execution of this Agreement or a Joinder hereto, depositing into its EDU Contribution Account the Required Percentage of the LCFS Credit Revenue generated by such EDU from the sale of all such Earmarked Credits deposited into its LCFS balancing account by CARB at any time on or prior to the end of the calendar year immediately preceding the year during which such EDU becomes a Party to this Agreement, and each such EDU shall be required to sell all such deposited Earmarked Credits prior to such 60th day following such EDU's execution of this Agreement or a Joinder hereto. Each other Participating EDU besides the Principal EDUs will also deposit its Required Percentage, if any, of its respective LCFS Credit Revenue received in any calendar year commencing with the calendar year in which it becomes a Participating EDU into its respective EDU Contribution Account no less frequently than on an annual basis in arrears and in one or more transactions that shall occur no later than March 31st of the following year. All such Participating EDUs shall be required to sell all of the Earmarked Credits deposited by CARB into its LCFS balancing account during any calendar year in such calendar year. Notwithstanding the foregoing, the Steering Committee shall have the power and authority to waive or suspend the aforementioned timing requirements for when sales of Earmarked Credits held in the respective LCFS balancing accounts of the other Participating EDUs must take place should the Steering Committee determine that market conditions or other extenuating factors make such waiver or suspensions (which would apply as to all such other Participating EDUs) prudent, and the Steering Committee shall promptly notify all such Participating EDUs of any such waiver or suspension. The Steering Committee shall also have the power and authority to grant an extension of the aforementioned timing requirements to any Participating EDU, on an individual case-by-case basis, that has demonstrated to the satisfaction of the Steering Committee that it is utilizing all reasonable efforts to consummate the sale of its Earmarked Credits in a diligent and timely manner, but needs additional time to complete all sales required in order to deposit its full Required Percentage of LCFS Credit Revenue.

1.10. Section 9.1 (c) of the Governance Agreement is hereby amended to read as follows:

LADWP Term. Notwithstanding the provisions of Section 9.1(a) above, the term of LADWP's participation as a Participating EDU under this Agreement shall commence on the Effective Date and terminate on the earlier to occur of (x) the tenth anniversary of the Effective Date unless, not less than ninety (90) days prior to such tenth anniversary, LADWP delivers written notice to the Program Administrator and the Steering Committee that LADWP elects not to terminate its participation as a Participating EDU under this Agreement on the date of such tenth anniversary, or (y) the date on which LADWP withdraws as a Party pursuant to the provisions of Section 9.2 below or is removed as a Party pursuant to the provisions of Section 9.3 below.

1.11. Schedule 10.14 of the Governance Agreement, entitled "PARTY NOTICE INFORMATION (INCLUDING, IF APPLICABLE, SUCH PARTY'S STEERING COMMITTEE MEMBER)" is hereby deleted and replaced in its entirety with the Schedule 10.14 attached to this Amendment.

1.1. Appendix A of the Governance Agreement entitled "CFR PROGRAM EDU CONTRIBUTION REQUIREMENTS" is hereby deleted and replaced in its entirety with the Appendix A attached to this Amendment.

1.2. Appendix B of the Governance Agreement entitled "PRELIMINARY DATA COLLECTION TEMPLATE" is hereby deleted and replaced in its entirety with the Appendix B attached to this Amendment.

## ARTICLE II
## MISCELLANEOUS

2.1. Consent. By execution hereof, each Signing Participating EDU hereby irrevocably agrees to the modifications and amendments to the Governance Agreement set forth in this Amendment, which modifications and amendments shall take effect immediately as of the Amendment Date without any further approval or action on behalf of the Participating EDUs, the Steering Committee, or any other Person.

2.2. Reference to and Effect on the Governance Agreement. Except as specifically provided in this Amendment, the Governance Agreement (and each of the provisions thereof) shall remain in full force and effect. As of and following the Amendment 2 Effective Date, each reference in the Governance Agreement to "this Governance Agreement," "this Agreement," "hereunder," "hereof," or words of similar import shall, in each case and except as otherwise specifically stated therein, mean and be a reference to the Governance Agreement as amended hereby.

2.3. Miscellaneous. Article 10 of the Governance Agreement is hereby incorporated into this Amendment by reference and shall be a part hereof, *mutatis mutandis*.

[SIGNATURE PAGES FOLLOW]

**IN WITNESS WHEREOF**, this Amendment has been duly executed on behalf of the Parties by their respective authorized officers (or respective designee) as of the Amendment Date.

**Pacific Gas and Electric Company**

By: David Almeida

Name: David Almeida

Title: Director, Clean Energy Transportation

Address for Notice:

300 Lakeside Drive

Oakland, CA 94612

**Los Angeles Department of Water & Power**

By: David Hanson (Jun 29, 2026 14:23:36 EDT)

Name: David W. Hanson

Title: Interim General Manager

Address for Notice:

111 North Hope Street - Room 921
Los Angeles, CA 90012

And: Chante L. Mitchell
Board Secretary

**Southern California Edison Company**

By: ______________________

Name: ______________________

Title: ______________________

Address for Notice:

______________________

______________________

Approved as to Legal Form and Content (optional)

By: ______________________

Name: ______________________

Title: ______________________

Approved as to Legal Form and Content (optional)

By: APPROVED AS TO FORM AND LEGALITY
HYDEE FEDLSTEIN SOTO, CITY ATTORNEY
APRIL 10, 2026

Name:

Title: BY
VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY

Approved as to Legal Form and Content (optional)

By: ______________________

Name: ______________________

Title: ______________________

**IN WITNESS WHEREOF**, this Amendment has been duly executed on behalf of the Parties by their respective authorized officers (or respective designee) as of the Amendment Date.

**Pacific Gas and Electric Company**

By:____________________________

Name:__________________________

Title:___________________________

Address for Notice:

________________________________

________________________________

Approved as to Legal Form and Content (optional)

By:____________________________

Name:__________________________

Title:___________________________

**Los Angeles Department of Water & Power**

By:____________________________

Name:__________________________

Title:___________________________

Address for Notice:

________________________________

________________________________

Approved as to Legal Form and Content (optional)

By:____________________________

Name:__________________________

Title:___________________________

**Southern California Edison Company**

Signed by:

By: Funmi Williamson

37E115D23BDC478...

Name: Funmi Williamson

Title: Chief Customer Officer and SVP Customer Service

Address for Notice:

________________________________

________________________________

Approved as to Legal Form and Content (optional)

By:____________________________

Name:__________________________

Title:___________________________

**San Diego Gas & Electric Company**

By: ________________

Name: Miguel Romero

Title: SVP & Chief Commercial Officer

Address for Notice:

________________

________________

Approved as to Legal Form and Content (optional)

By: ________________

Name: Sitlung Choy

Title: Senior Counsel

**Sacramento Municipal Utility District**

By: ________________

Name: ________________

Title: ________________

Address for Notice:

________________

________________

Approved as to Legal Form and Content (optional)

By: ________________

Name: ________________

Title: ________________

**San Diego Gas & Electric Company**

By:__________________________

Name:________________________

Title:_________________________

Address for Notice:

______________________________

______________________________

Approved as to Legal Form and Content (optional)

By:__________________________

Name:________________________

Title:_________________________

**Sacramento Municipal Utility District**

By: Rachel Huang

Name: Rachel Huang

Title: Director, Distributed Energy Solutions

Address for Notice:

6201 S Street, Sacramento, CA, 95817

Approved as to Legal Form and Content (optional)

By:__________________________

Name:________________________

Title:_________________________

**Northern EDU Representative**
Northern California Power Agency

By:______________________

Name: Emily Lemei

Title: Customer Programs Manager

Address for Notice:

651 Commerce Drive
Roseville, CA 95678

Approved as to Legal Form and Content (optional)

By:______________________

Name: Jane E. Luckhardt

Title: General Counsel

**Southern EDU Representative**
City of Anaheim

By:______________________

Name:______________________

Title:______________________

Address for Notice:

______________________
______________________

Approved as to Legal Form and Content (optional)

By:______________________

Name:______________________

Title:______________________

**Northern EDU Representative**
Northern California Power Agency

By:______________________________

Name:____________________________

Title:_____________________________

Address for Notice:

_________________________________

_________________________________

Approved as to Legal Form and Content (optional)

By:______________________________

Name:____________________________

Title:_____________________________

**Southern EDU Representative**
City of ~~Anaheim~~ Burbank

By: Drew Kidd

Name: Drew Kidd

Title: Marketing Associate

Address for Notice:

164 W. Magnolia Blvd., Burbank, CA, 91502

_________________________________

Approved as to Legal Form and Content (optional)

By:______________________________

Name:____________________________

Title:_____________________________

# SCHEDULE 10.14

## PARTY NOTICE INFORMATION (INCLUDING, IF APPLICABLE, SUCH PARTY'S STEERING COMMITTEE MEMBER)

**PG&E:**

Pacific Gas & Electric Company
300 Lakeside Dr
Oakland, CA 94612
Attn: David Almeida, Director, Clean Energy Transportation
Email: david.almeida@pge.com

And to:

Pacific Gas & Electric Company
300 Lakeside Dr
Oakland, CA 94612
Attn: Benjamin Ellis, Senior Counsel
Email: ben.ellis@pge.com

PG&E Steering Committee Member: Allison Donnelly

**SCE:**

Southern California Edison
6042 Irwindale Avenue
Irwindale, CA 91702Attn: Chanel Parson, Director, Clean Energy & Demand Response
Email: chanel.parson@sce.com

And to:

Southern California Edison
2244 Walnut Grove Avenue
Rosemead, CA 91770
Attn: Rebecca A. Meiers-De Pastino, Senior Attorney
Email: Rebecca.Meiers.DePastino@SCE.com

| | |
|---|---|
| PA Representative: | Lisa Arellanes<br>Contact Information:<br>Southern California Edison<br>eMobility – Customer Solutions<br>6042 Irwindale Avenue<br>Irwindale, CA 91702<br>Rosemead, CA 91770<br>Attn: Lisa Arellanes, Principal Manager, eMobility |

E-mail: lisa.arellanes@sce.com

SCE Steering Committee Member: Chanel Parson

**SDG&E:**

San Diego Gas & Electric
8326 Century Park Court
San Diego, CA 92123
Attn: Alex Moffat, Director - Clean Transportation
Email: amoffat@sdge.com

And to:

San Diego Gas & Electric
8326 Century Park Court
San Diego, CA 92123
Attn: Si-Hung Choy, General Counsel - Commercial
Email: SChoy@sdge.com

SDG&E Steering Committee Member: Jen Taylor

**LADWP:**

Los Angeles Department of Water & Power
111 N. Hope Street
Los Angeles, CA 90012
Attn: Scott Moon, Electrical Engineer
Email: scott.moon@ladwp.com

With a copy to:

Vaughn Minassian, Deputy City Attorney
Office of the Los Angeles City Attorney, Water & Power Division
221 N Figueroa Street, Suite 1000
Los Angeles, CA 90012
E-mail: Vaughn.Minassian@ladwp.com

LADWP Steering Committee Member: Scott Moon

**SMUD:**

Sacramento Municipal Utility District
6201 S Street Mail Stop B305

Sacramento, CA 95817
Attn: Rachel Huang, Director, Distributed Energy Solutions

Email: Rachel.Huang@smud.org
With a copy to:

Sacramento Municipal Utility District
Office of General Counsel
6201 S Street, Mail Stop B406
Sacramento, CA 95817

SMUD Steering Committee Member: Rachel Huang

## APPENDIX A

## CFR PROGRAM EDU CONTRIBUTION REQUIREMENTS

| Electric Distribution Utility ("EDU") | CVRP % All EDUs | Initial EDU Contribution | Initial Contribution Date | EDU Category |
|---|---|---|---|---|
| **Pacific Gas & Electric Company** | 39.78% | $19,892,022 | **"Initial Funding Date"** | Principal EDU |
| **Southern California Edison** | 31.11% | $15,553,039 | **"Initial Funding Date"** | Principal EDU |
| **San Diego Gas & Electric** | 9.99% | $4,994,827 | **"Initial Funding Date"** | Principal EDU |
| **Los Angeles Department of Water & Power** | 10.50% | $5,252,360 | **"Initial Funding Date"** | Principal EDU |
| **Sacramento Municipal Utility District** | 2.06% | $1,032,214 | **"Initial Funding Date"** | Principal EDU |
| **Silicon Valley Power** | 0.88% | $438,511 | January 31, 2021 | Supporting EDU |
| **Glendale Water & Power** | 0.76% | $382,455 | January 31, 2021 | Supporting EDU |
| **City of Palo Alto** | 0.73% | $364,198 | January 31, 2021 | Supporting EDU |
| **City of Anaheim Public Utilities Department** | 0.73% | $363,397 | January 31, 2021 | Supporting EDU |
| **Pasadena Water & Power** | 0.61% | $306,221 | January 31, 2021 | Supporting EDU |
| **Burbank Water & Power** | 0.41% | $204,841 | January 31, 2021 | Supporting EDU |
| **City of Riverside** | 0.34% | $168,485 | January 31, 2021 | Supporting EDU |
| **Roseville Electric** | 0.27% | $136,614 | January 31, 2021 | Supporting EDU |
| **Modesto Irrigation District** | 0.37% | $183,861 | January 31, 2021 | Supporting EDU |
| **Imperial Irrigation District** | 0.16% | $81,039 | January 31, 2021 | Supporting EDU |
| **Turlock Irrigation District** | 0.14% | $69,028 | January 31, 2021 | Supporting EDU |
| **Redding Electric Utility** | 0.05% | $23,544 | January 31, 2021 | Supporting EDU |

| Electric Distribution Utility ("EDU") | CVRP % All EDUs | Initial EDU Contribution | Initial Contribution Date | EDU Category |
|---|---|---|---|---|
| **City of Vernon Public Utilities** | 0.01% | $4,485 | January 31, 2021 | Supporting EDU |
| **Alameda Municipal Power** | 0.37% | $184,822 | January 31, 2023 | Supporting EDU |
| **City of Cerritos** | 0.29% | $142,700 | January 31, 2023 | Supporting EDU |
| **Modesto Irrigation District** | 0.08% | $40,680 | January 31, 2023 | Supporting EDU |
| **Merced Irrigation District** | 0.06% | $28,348 | January 31, 2023 | Supporting EDU |
| **Azusa Light & Power** | 0.06% | $28,188 | January 31, 2023 | Supporting EDU |
| **Moreno Valley Utility** | 0.04% | $20,820 | January 31, 2023 | Supporting EDU |
| **City of Healdsburg Electric Department** | 0.04% | $19,700 | January 31, 2023 | Supporting EDU |
| **Colton Electric Utility Department** | 0.03% | $15,055 | January 31, 2023 | Supporting EDU |
| **Lodi Electric Utility** | 0.03% | $14,574 | January 31, 2023 | Supporting EDU |
| **Liberty Utilities** | 0.03% | $12,973 | January 31, 2023 | Supporting EDU |
| **PacifiCorp** | 0.02% | $9,289 | January 31, 2023 | Supporting EDU |
| **Truckee Donner Public Utilities District** | 0.01% | $6,086 | January 31, 2023 | Supporting EDU |
| **City of Lompoc Electric Division** | 0.01% | $5,766 | January 31, 2023 | Supporting EDU |
| **City of Ukiah Electric Utilities Division** | 0.01% | $5,125 | January 31, 2023 | Supporting EDU |
| **Rancho Cucamonga Municipal Utility** | 0.01% | $5,125 | January 31, 2023 | Supporting EDU |
| **Bear Valley Electric Service** | 0.01% | $2,563 | January 31, 2023 | Supporting EDU |
| **City of Corona Department of Water & Power** | 0.01% | $2,563 | January 31, 2023 | Supporting EDU |

| Electric Distribution Utility ("EDU") | CVRP % All EDUs | Initial EDU Contribution | Initial Contribution Date | EDU Category |
|---|---|---|---|---|
| City of Banning Electric Department | 0.00% | $1,441 | January 31, 2023 | Supporting EDU |
| Trinity Public Utilities District | 0.00% | $1,281 | January 31, 2023 | Supporting EDU |
| City of Shasta Lake | 0.00% | $1,121 | January 31, 2023 | Supporting EDU |
| Lassen Municipal Utility District | 0.00% | $320 | January 31, 2023 | Supporting EDU |
| Gridley Electric Utility | 0.00% | $160 | January 31, 2023 | Supporting EDU |
| Shelter Cove Resort Improvement District | 0.00% | $160 | January 31, 2023 | Supporting EDU |
| Total | 100.00% | $50,000,000 | | |

## Appendix B

### PRELIMINARY DATA COLLECTION TEMPLATE

Additional data items may be added to the template below during program development. Some data requested may not be required for participation in the program.

| Category | Element | Sample Value |
|---|---|---|
| Identification | First Name (Must be same name as the person the vehicle is DMV registered) or Company Name | John |
| Identification | Last Name (Must be same name as the person the vehicle is DMV registered) or Company Name | Doe |
| Location & Contact Information | Vehicle Registration Street Number | 123 |
| Location & Contact Information | Vehicle Registration Street Name | 1st Street |
| Location & Contact Information | Vehicle Registration State | CA |
| Location & Contact Information | Car Registration Zip Code | 12345 |
| Location & Contact Information | Email Address | JohnDoe@email.com |
| Location & Contact Information | Phone Number | (555)555-5555 |
| Vehicle Information | Vehicle Identification Number (VIN) | 1HGCM82633A004352 |
| Vehicle Information | Make | Chevrolet |
| Vehicle Information | Model | Bolt |
| Vehicle Information | Vehicle Model Year | 2019 |
| Vehicle Information | Dealership vehicle was purchased/leased at | EV California Dealers |
| Vehicle Information | Date Vehicle Purchased/Leased | 12/25/2019 |
| Vehicle Information | Vehicle Purchase/Lease Price | $XX,XXX.00 |
| Utility Information | Utility Provider (electric) | Southern California Edison |

## Appendix C
## Revised Section 1.1 – Defined Terms

**1.1.** Defined Terms. As used in this Agreement, the following capitalized terms shall have the respective meanings specified in this Section 1.1.

(a) **"Accounts"** has the meaning set forth in Section 4.3(b).

(b) **"Additional LCFS Revenue Payments"** has the meaning set forth in Section 9.1(b)(ii).

(c) **"Administrative Expenses"** has the meaning set forth in Section 5.1.

(d) **"Advice Letter"** has the meaning set forth in the Recitals.

(e) **"Advisory Committee"** has the meaning set forth in Section 3.4.

(f) **"Affiliate"** means, with respect to any Person, any other Person controlling, controlled by, or under common control with such other Person. For purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

(g) **"Agreement"** has the meaning set forth in the preamble.

(h) **"Alternates"** has the meaning set forth in Section 3.3(c).

(i) **"Annual Program Funds Amount"** means the total EDU Contributions deposited by all of the Participating EDUs during each calendar year following the Initial Funding Date, plus all interest and earnings thereon regardless of the Account in which such funds are held from time to time, during such calendar year.

(j) **"Bond"** has the meaning set forth in Section 7.4.

(k) **"CARB"** has the meaning set forth in the Recitals.

(l) **"CARB Authorization"** has the meaning set forth in the Recitals.

(m) **"CARB Representative"** has the meaning set forth in Section 3.3(a).

(n) **"CFR Program"** has the meaning set forth in the Recitals.

(a) "**Claim**" or "**Claims**" means any and all actions, causes of action, complaints, charges, claims, costs, damages, deficiencies, demands, expenses, fees, indebtedness, injuries, interest, judgments, liabilities, losses, obligations, orders, penalties, remedies, suits, sums of money, Taxes, and torts, of whatever kind or character, whether in law, equity or otherwise, direct or indirect, fixed or contingent, foreseeable or unforeseeable, liquidated or unliquidated, known or unknown, matured or unmatured, absolute or contingent, determined or determinable.

(o) **"Collective Deposit Account"** has the meaning set forth in Section 4.3(b)(ii).

(b) **"Contribution Percentage"** means, with respect to any Party at any time, the resulting percentage determined by multiplying 100 by a fraction, the numerator of which shall be the amount of such Party's Initial EDU Contribution, and the denominator of which shall be the aggregate total of shares all Initial EDU Contributions made by all Parties (including any former Parties) at such time. In calculating the respective Contribution Percentages of the Parties at an time, in the event that a court or arbitrator of competent jurisdiction has determined that any Party is released or excused from its obligation to pay, or is otherwise unable or not required to pay, its Contribution Percentage of any Indemnified Claim, then such Party's Initial EDU Contribution shall be excluded from the denominator for purposes of calculating the respective Contribution Percentages with respect to such Indemnified Claim as well as to any Indemnified Claim thereafter to which such exclusion would be applicable according to such court or arbitral order or determination.

(p) **"COOPs"** has the meaning set forth in the Recitals.

(q) **"Covenant Not to Sue"** has the meaning set forth in Section 7.3(a).

(r) **"Covered Person"** has the meaning set forth in Section 3.5(a).

(s) **"CPUC"** has the meaning set forth in the Recitals.

(t) **"CPUC Approval"** has the meaning set forth in the Recitals.

(c) **"Deposit Account"** means any Collective Deposit and any Individual Deposit Account.

(u) **"Designated Account Holder" "Designated Account Holder"** means LADWP in its capacity as the record holder (under its name and federal Tax identification number) of the Program Funds Account in accordance with the provisions of Section 4.3(b)(i), or any successor or replacement Governmental Authority (including, for the avoidance of doubt, a POU) or not for profit entity that is identified and selected by the Program Administrator and the Steering Committee to hold the Program Funds Account pursuant to Section 4.3(b)(i) or any Collective Deposit Account pursuant to Section 4.3(b)(ii).

(v) **"Disbursement Account"** has the meaning set forth in Section 4.3(c).

(d) **"Earmarked Credits"** means any LCFS Base Credits that are deposited into any EDU's LCFS balancing account by CARB at any time on or after the Final CPUC Approval Date.

(e) **"EDU Contribution Account"** means, when used with respect to any Participating EDU at any time and from time to time, (i) if a Program Funds Account has been established and is being maintained at such time, the Program Funds Account, or (ii) if there is no Program Funds Account at such time, then either the Collective Deposit Account or the Individual Deposit Account for such Participating EDU into which such Participating EDU is instructed to make its EDU Contributions at such time in accordance with the instructions of the Program Administrator.

(w) **"EDU Contributions"** has the meaning set forth in the Recitals.

(x) **"EDUs"** has the meaning set forth in the Recitals.

(y) **"Effective Date"** has the meaning set forth in preamble.

(z) **"Excess Party"** has the meaning set forth in the Section 7.5(b)(iii).

(f) **"FDIC"** means the Federal Deposit Insurance Corporation.

(aa) **"Final CPUC Approval Date"** the first date on which each of the following approvals from the CPUC shall have been received: (i) the CPUC Approval, (ii) the CPUC's approval of the advice letter submitted by PG&E for approval to enter into this Agreement, and (iii) the CPUC's approval of the advice letter submitted by SDG&E for approval to enter into this Agreement.

(bb) **"Financial Institution"** has the meaning set forth in Section 4.1(a).

(cc) **"Governmental Authority"** means the United States, or any state, county, city, municipal, territory, possession, foreign or other governmental or quasi-governmental entity or authority of any nature, including any courts, departments, commissions, boards, bureaus, agencies or other instrumentalities of any of the foregoing.

(dd) **"Holdback Funds"** has the meaning set forth in the Section 7.5(b)(iii).

(ee) **"Imaged Agreement"** has the meaning set forth in Section 10.19.

(ff) **"Implementer"** has the meaning set forth in Section 3.2(a).

(gg) **"Indemnified Claim"** means (i) when used in connection with the SCE Indemnified Persons, the SCE Indemnified Claims, (ii) when used in connection with the Steering Committee Indemnified Persons, the Steering Committee Indemnified Claims, and (iii) when used in connection with the LADWP Indemnified Persons, the LADWP Indemnified Claims.

(hh) **"Indemnified Persons" "Indemnified Persons"** means any of the SCE Indemnified Persons, the Steering Committee Indemnified Persons, and the LADWP Indemnified Persons, each an **"Indemnified Person"**.

(ii) **"Individual Deposit Account"** has the meaning set forth in Section 4.3(b)(iii).

(jj) **"Individual Deposit Account Agreement"** has the meaning set forth in Section 4.3(b)(iii).

(kk) **"Initial EDU Contributions"** has the meaning set forth in Section 5.3.

(ll) **"Initial Funding Date"** has the meaning set forth in Section 5.3.

(mm) **"Invoice Subcommittee"** has the meaning set forth in Section 3.3(e).

(nn) **"IOUs"** has the meaning set forth in the Recitals.

(oo) **"Joinder"** has the meaning set forth in Section 2.2.

(pp) **"LADWP"** has the meaning set forth in the preamble.

(qq) **"LADWP Indemnified Claim"** has the meaning set forth in Section 7.5(a)(iii).

(rr) **"LADWP Indemnified Person(s)"** has the meaning set forth in Section 7.5(a)(iii).

(ss) **"LADWP Released Claims"** has the meaning set forth in Section 7.1(a)(iii).

(tt) **"LADWP Released Part(y/ies)"** has the meaning set forth in Section 7.1(a)(iii).

(uu) **"LCFS Base Credits"** has the meaning set forth in the Recitals.

(vv) **"LCFS Credit Revenue"** means the aggregate gross revenue received by any EDU at any time from the sale, transfer or other disposition of Earmarked Credits.

(ww) **"LCFS Non-Base Credit Revenue"** has the meaning set forth in the Section 7.5(b)(iii).

(xx) **"LCFS Regulation"** has the meaning set forth in the Recitals.

(yy) **"Liability Reserve"** has the meaning set forth in Section 4.3(e).

(zz) **Master Account Agreement"** has the meaning set forth in Section 4.3(b).

(aaa) **"Member"** has the meaning set forth in Section 3.3(a).

(bbb) **"ME&O"** has the meaning set forth in Section 4.2(a).

(ccc) **"NCPA"** means the Northern California Power Agency.

(ddd) **"Northern EDU Majority Vote"** has the meaning set forth in Section 3.3(a).

(eee) **"Northern EDU Member"** has the meaning set forth in Section 3.3(a).

(fff) **"Northern EDUs"** means any EDU listed as a Northern EDU on Schedule 1.1 hereto, as such Schedule may be amended from time to time hereafter; provided that in no event shall any Large EDU ever be listed as or deemed to be a Northern EDU.

(ggg) **"Operating Reserve"** has the meaning set forth in Section 4.3(e).

(hhh) **"PA Representative"** has the meaning set forth in Section 3.3(a).

(iii) **"Particiating EDU"** means any EDU that has (i) become a Party to this Agreement by either (A) executing and delivering a duly executed signature page to this Agreement to the other Parties on or prior to the Effective Date, or (B) executing and delivering a duly executed Joinder to this Agreement to the Program Administrator in accordance with the provisions of Section 2.2 following the Effective Date, and (ii) not withdrawn as a Party pursuant to Section 9.2 or been removed as Party pursuant to Section 9.3.

(jjj) **"Participating Northern EDU"** has the meaning set forth in Section 3.3(a).

(kkk) **"Participating Southern EDU"** has the meaning set forth in Section 3.3(a).

(lll) **"Party"** means any entity that is a signatory to this Agreement as set forth on the signature pages hereto or that hereafter becomes a party to this Agreement by executing and delivering a duly executed Joinder to this Agreement to the Program Administrator in accordance with the provisions of Section 2.2 following the Effective Date, which entities are referred to collectively, as the "**Parties**". For the avoidance of doubt, unless and until an entity that is not an EDU becomes a Party to this Agreement, each Party is a Participating EDU, and vice versa, and the terms may be used interchangeably.

(mmm)**"Percentage Target"** has the meaning set forth in Section 5.2.

(nnn) **"Person"** means an individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, unincorporated organization, association, organization or other entity or form of business enterprise or Governmental Authority.

(ooo) **"PG&E"** has the meaning set forth in the preamble.

(ppp) **"Policy"** has the meaning set forth in Section 7.4.

(qqq) **"POU"** has the meaning set forth in the Recitals.

(rrr) **"Principal EDU Members"** has the meaning set forth for **"Large EDU"** in Section 3.3(a) and all references to "**Large EDU**" in the Agreement, including in this Section 1.1, shall mean **"Principal EDU Members."**

(sss) **"Principal EDUs"** means PG&E, SDG&E, SCE, LADWP, and SMUD, each a "**Principal EDU**".

(ttt) **"Program Administrator"** means SCE in its capacity as program administrator and administrative agent for the Parties with respect to the CFR Program for the term set forth in Section 3.1(b), or any successor Program Administrator appointed following the end of SCE's term as Program Administrator in accordance with the provisions of Section 3.1(c) or any amendment to this Agreement entered into pursuant to the provisions thereof.

(uuu) **"Program Agreement"** has the meaning set forth in Section 3.1(a).

(vvv) **"Program Auditor"** has the meaning set forth in Section 4.1(a).

(www) **"Program Funds"** has the meaning set forth in Section 4.3(a).

(xxx) **"Program Funds Account"** has the meaning set forth in Section 4.3(b)(i).

(yyy) **"Program Implementer"** has the meaning set forth in Section 4.1(a).

(zzz) **"Program Implementer Representatives"** has the meaning set forth in Section 4.5(a).

(aaaa) **"Program Launch Date"** has the meaning set forth in Section 5.5.

(bbbb) **"Program Legal Matters"** has the meaning set forth in Section 10.18.

(cccc) **"Program Material"** has the meaning set forth in Section 8.1.

(dddd) **"Related Entities"** has the meaning set forth in Section 7.1(a).

(eeee) **"Release"** has the meaning set forth in Section 7.1(b).

(ffff) **"Released Claims"** means (i) when used in connection with the SCE Released Parties, the SCE Released Claims, (ii) when used in connection with the Steering Committee Released Parties, the Steering Committee Released Claims, and (iii) when used in connection with the LADWP Released Parties, the LADWP Released Claims.

(gggg) **"Released Parties"** means any of the SCE Released Parties, the Steering Committee Released Parties, and the LADWP Released Parties, each a **"Released Party".**

(hhhh) **"Remaining Liabilities"** has the meaning set forth in Section 9.1(b).

(iiii) **"Removal Vote"** has the meaning set forth in Section 9.3(a).

(g) **"Representative"** means, with respect to a particular Person, any director, member, partner, officer, employee, agent, consultant, advisor or other representative of such Person, including outside legal counsel, accountants and financial advisors; provided that in no event shall any Implementer, any other vendor or contractor retained by the Program Administrator on behalf of the CFR Program, or any of their respective Representatives be, or be deemed to be, a Representative of the Program Administrator or of any Participating EDU.

(jjjj) **"Required Percentage"** has the meaning set forth in Section 5.4.

(kkkk) **"Reserve Amounts"** means the aggregate amounts of Program Funds maintained at any time, and from time to time, in the Liability Reserve and the Operating Reserve.

(llll) **"Reward Amount"** has the meaning set forth in Section 3.3(d)(iii)

(mmmm) **"RFI"** has the meaning set forth in Section 3.2(a).

(nnnn) **"RFP"** has the meaning set forth in Section 3.2(a).

(oooo) **"SCE"** has the meaning set forth in the preamble.

(pppp) **"SCE Indemnified Claim"** has the meaning set forth in Section 7.5(a)(i).

(qqqq) **"SCE Indemnified Person(s)"** has the meaning set forth in Section 7.5(a)(i).

(rrrr) **"SCE Released Claims"** has the meaning set forth in Section 7.1(a)(i).

(ssss) **"SCE Released Part(y/ies)"** has the meaning set forth in Section 7.1(a)(i).

(tttt) **"SDG&E"** has the meaning set forth in the preamble.

(uuuu) **"Shortfall Indemnity Termination Date"** has the meaning set forth in Section 7.9.

(vvvv) **"Shortfall Party"** has the meaning set forth in the Section 7.5(b)(iii).

(wwww) **"Shortfall Payments"** has the meaning set forth in Section 9.1(b)(i).

(xxxx) **"SMUD"** has the meaning set forth in the preamble.

(yyyy) **"Southern EDU Member"** has the meaning set forth in Section 3.3(a).

(zzzz) **"Southern EDUs"** means any EDU listed as a Southern EDU on Schedule 1.1 hereto, as such Schedule may be amended from time to time hereafter; provided that in no event shall any Large EDU ever be listed as or deemed to be a Southern EDU.

(aaaaa) **"Southern EDU Supermajority Vote"** has the meaning set forth in Section 3.3(a).

(bbbbb) **"Steering Committee"** has the meaning set forth in Section 3.3(a).

(ccccc) **"Steering Committee Indemnified Claim"** has the meaning set forth in Section 7.5(a)(ii).

(ddddd) **"Steering Committee Indemnified Person(s)"** has the meaning set forth in Section 7.5(a)(ii).

(eeeee) **"Steering Committee Released Claims"** has the meaning set forth in Section 7.1(a)(ii).

(fffff) **"Steering Committee Released Part(y/ies)"** has the meaning set forth in Section 7.1(a)(ii).

(ggggg) **"Supporting EDU Members"** means the Northern EDU Members and the Southern EDU Members, each a **"Supporting EDU Member."**

(hhhhh) **"Tax"** or **"Taxes"** means any and all taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges, including all federal, state, local or non-U.S. income taxes (including any tax on or based upon net income, gross income, or income as specially defined, or earnings, profits, or selected items of income, earnings or profits) and all gross receipts, payroll, employment, excise, severance, stamp, occupation, premium, environmental, customs duties, capital stock, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, ad valorem, transfer, service, franchise, license, windfall profits taxes, estimated, alternative or add-in minimum taxes and any other taxes of any kind whatsoever (whether or not requiring the filing of a Tax Return), together with any interest and any penalties and additions to tax.

(iiiii) **"Tax Return"** means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedules and amendments thereof.

(jjjjj) **"Third Party Designated Account Holder"** means any successor to LADWP as Designated Account Holder that is not also a Participating EDU hereunder.

(kkkkk) **"Third Party Program Administrator"** means any successor Program Administrator appointed at any time following the end of SCE's term as Program Administrator, in accordance with the provisions of Section 3.1(c) or any amendment to this Agreement entered into pursuant to the provisions thereof, that is not also a Participating EDU hereunder.

(lllll) **"TOU"** has the meaning set forth in Section 4.2(b).

(mmmmm) **"Withdrawing Notice"** has the meaning set forth in Section 9.2(a).

(nnnnn) **"ZEVs"** has the meaning set forth in the Recitals.

April 20, 2026

Lisa Arellanes
Principal Manager, eMobility
Southern California Edison.
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Scott Moon, M.S., M.B.A., P.E.
Electric Transportation Programs, Electrical Engineer
Los Angeles Department of Water & Power.
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Los Angeles, California 90012
*Scott.moon@ladwp.com*

Dear Lisa Arellanes, and Scott Moon:

I am writing to express California Air Resources Board's (CARB) support for Southern California Edison (SCE) and Los Angeles Department of Water & Power (LADWP) continuing to serve in their current respective roles as the program administrator and designated account holder of the California Clean Fuel Reward (CFR) program created by the Low Carbon Fuel Standard (LCFS) regulation administered by CARB.[1]

SCE and LADWP have been key contributors to and partners in the development and ongoing administration of the CFR program. The CFR is a unique statewide program established by the LCFS to provide a price reduction on new and used commercial medium- or heavy-duty electric vehicles and battery electric motorcycles in California. As required by the LCFS regulations, the CFR is funded by proceeds from LCFS credits for residential charging issued to electrical distribution utilities (EDUs) that elect to participate.

In 2019, CPUC approved SCE's proposal to serve as the initial short-term program administrator in order to initiate the CFR program as directed by the LCFS regulation under CARB oversight.[2] Throughout 2019, SCE and LADWP, along with other participating EDUs, engaged in a robust negotiation process to develop the LCFS CFR Governance Agreement. Once that Governance Agreement was finalized, approved by CPUC, authorized by CARB, and executed by participating EDUs, it came into effect in March 2020. The program governance structure includes regular steering committee meetings monitored by CARB. In June 2020, following approval by the LADWP Board, the Governance Agreement was amended to reflect LADWP serving as the designated account holder. By November 2020,

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[1] The LCFS regulations are published at title 17, California Code of Regulations (CCR), §§ 95480-95503.
[2] See Advice Letter 3982-E; Resolution E-5015.

SCE and the steering committee had coordinated a successful launch of the CFR program. In 2022, CPUC approved SCE's proposal to continue its administration of the program through 2026.

CARB provides regular feedback and oversight of the CFR program steering and implementation, and have been pleased by the impressive statewide collaboration. As program administrator, SCE is a receptive lead, proactively responds to CARB feedback, and has run an inclusive process to help lay the groundwork for this next iteration of the CFR program.

The Governance Agreement provides that SCE may request CPUC authority to remain the program administrator for a longer term. CARB supports SCE's April 2026 proposal to remain the CFR program administrator through 2030. CARB also supports LADWP to continue to serve as the designated account holder. As the initial program administrator, SCE has shown strong leadership, flexibility, integrity, creativity, and stewardship of the CFR program. CARB staff appreciates SCE's professional dedication to launching and developing the CFR into a successful, sustainable, and accessible program for California residents.

CARB believes SCE has shown the capability and vision necessary to continue administering the CFR program as the program continues to grow, mature, and support state policy goals over the next several years. LADWP's role as the designated account holder has also been vital.

On behalf of CARB, I support SCE and LADWP in continuing to serve these essential roles and look forward to continuing our oversight of this program. For questions, please contact Greg Mayeur, Branch Chief, at *Greg.Mayeur@arb.ca.gov.*

Sincerely,

RSahota

Rajinder Sahota, Deputy Executive Officer

cc: Matthew Botill, Chief, Industrial Strategies Division

Sydney Vergis, Ph.D., Assistant Division Chief, Industrial Strategies Division

Greg Mayeur, Chief, Transportation Fuels Branch