

SWEETWATER RESERVOIR FLOATING SOLAR PROJECT

Noria Energy Holdings LLC

Sweetwater Authority

Noria Energy obligations:

Noria will lead and manage all aspects of the SDG&E's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Program for floating solar system up to 5MWac and/or lease option(s) for Front-of-the meter projects, including:

- Creation of Special Purpose Vehicle(s): All contracts/documents will be housed within this SPV, which is industry standard and gives maximum flexibility for project finance (PPA or other)
 - Prepare and submit all documents: Noria will need feedback/signatures from SWA during the process, but we will efficiently project manage process, timelines, etc.
 - Design: System design as needed for submittal(s)
 - Interconnection: Single line drawing, other technical analysis and work needed for submittal, including all engineering.
 - Budget: Noria will manage budget/make payments throughout application process.
 - Project Finance: Once project is accepted into RES-BCT program, Noria will present finance options and Noria and SWA will negotiate final system size/price to present to SWA board for approval.
- Noria Energy will provide technical support, information, or any preliminary design required as part of the RES-BCT process.
 - Noria Energy will perform any required design, or preliminary design.
 - Noria Energy will provide a project description and scope to assist in the CEQA process.
 - Noria Energy will perform a cost savings analysis to assist in sizing the project.

Sweetwater Authority obligations:

- SWA will pay for the RES-BCT application fee.
- SWA will begin the CEQA process: Initial Study / Mitigated Negative Declaration
- SWA will take the lead in obtaining all required permits; Noria Energy will support, as required, with technical information, project descriptions, and any required preliminary design.
- SWA will provide Noria Energy with electricity load profile to assist in project sizing.
- SWA will provide Noria Energy with any topographical/bathymetrical data.
- SWA will provide Noria Energy with any required documentation to demonstrate site control to apply to SDG&E's system to enter into SDG&E's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Program for floating solar system up to 5MWac, community solar, and/or other potential options to be determined.

Joint (Noria Energy / SWA) obligations:

- Noria Energy and SWA will negotiate a Power Purchase Agreement once SDGE approves the RES-BCT application. The PPA will require Noria Energy to finance the construction and operation of the

project subject to negotiation of mutually acceptable price for energy delivered by the project to SWA.

- Noria Energy and SWA will negotiate a lease option (including lease cost and project size) for the Sweetwater Reservoir surface area to install additional floating solar panels to participate in the SD Community Choice Aggregation (CCA) or other Community Solar Program.
- The final deliverable includes a Financial Investment Decision ("FID") sign off. Noria will assist Sweetwater on signing off on FID for the system(s), including final stamped drawings and revised Pro-forma models.
- Noria Energy and SWA agree to begin development of pilot project (to be documented in an appropriate memorandum of understanding):
 - a. Installation of 100kW pilot floating solar system utilizing Noria Energy AquaPhi autonomous anchoring & mooring solution. Pilot data in Phase I will be base for incorporating AquaPhi and/or other Water Management solution into Phase II - design, interconnection, and installation of Sweetwater RES-BCT 5MWac floating solar system and FOM projects.
 - b. Noria Energy will be responsible for all costs and liability in connection with the pilot project.
 - c. The pilot project will be removed by Noria Energy at its expense if the larger projects do not move forward to implementation.

Exclusivity clause:

- a. Noria retains exclusivity for 18 months to achieve Notice to Proceed for the 5MWac RES-BCT Floating solar project, subject to RES-BCT approval by SDG&E and good faith negotiation of a PPA for the project on terms that are reasonably acceptable to the parties. Such period will terminate if the RES-BCT application or any required permit is denied or if there is an FID that is not acceptable to the parties.
- b. SWA has the right to cancel project upon thirty (30) days notice, but will not develop the project with another developer in exclusivity period. SWA also has the option to purchase the project, including the SPV, from Noria for the lump sum of \$110,700, which includes all contracts, permits, documents, etc. Upon purchase of the SPV, the exclusivity period will terminate. In no event will the purchase of the SPV require SWA to use equipment or technology of Noria Energy for the project.

Final Approval

- a. The execution of any PPA or lease and the commencement of work on the project will remain subject to the final approval of the governing board of SWA and Noria Energy, each in its sole discretion.

Nature of Term Sheet:

This term sheet sets forth the intent of the parties with respect to the development of the floating solar project and the pilot project and the negotiation of the definitive project agreements described herein. Each party shall undertake its obligations under this term sheet at its own risk and expense until such definitive project agreements have been finalized and approved.

INWITNESSWHEREOF, SWA and Noria have executed this Term Sheet as of the date set forth next to SWA's signature below.

By: 
Noria Energy Holdings LLC

July 5, 2023
Date

By: 
Sweetwater Authority

July 5, 2023
Date