

AMENDMENT NO. 4 TO THE JOINT OPERATING AGREEMENT SOUTHEAST GEYSERS EFFLUENT PIPELINE PROJECT

This Amendment No. 4 to the Joint Operating Agreement Southeast Geysers Effluent Pipeline Project (the “Agreement”) is made and entered into by and among the LAKE COUNTY SANITATION DISTRICT (“LACOSAN”); NORTHERN CALIFORNIA POWER AGENCY (“NCPA”); and GEYSERS POWER COMPANY, LLC (“GPC”), collectively referred to as the “Parties” and each a “Party”, as follows:

RECITALS

WHEREAS, LACOSAN owns and operates the Southeast Regional Wastewater Treatment Plant (“SERWTP”) and the Middletown Wastewater Treatment Plant (“MWTP”), and is the holder of certain rights and title to wastewater treatment plant effluent which is produced at the SERWTP and MWTP; and

WHEREAS, NCPA and GPC, individually, own and operate geothermal facilities at The Geysers steam field, located within Lake and Sonoma Counties; and

WHEREAS, the Parties, by various separate agreements funded and constructed a pipeline known as the Southeast Geysers Effluent Pipeline Project running from the Northwest Regional, the Southeast Regional, and Middletown Treatment Plants to the southeast portion of The Geysers, which delivers Effluent and Makeup Water (which comes from the Lake Intake in the City of Clearlake) for injection into The Geysers geothermal reservoir; and

WHEREAS, LACOSAN, NCPA, Union Oil Company of California, NEC Acquisition Company and Thermal Power Company, and Calpine’s predecessors in interest, including Calpine Geysers Company, L.P., originally entered into the JOINT OPERATING AGREEMENT SOUTHEAST GEYSERS EFFLUENT PIPELINE PROJECT on July 25, 1995 (“1995 JOA”) that established and provided for certain terms and conditions relating to their participation in and responsibility for the operation of that portion of the Project; and

WHEREAS, Calpine acquired the geothermal interests of PG&E and Union Oil Company of California at the Geysers steam field, located within Lake and Sonoma Counties, and has assumed all of Unocal’s interest in the 1995 JOA; and

WHEREAS, LACOSAN, by separate agreement, has the exclusive right to effluent generated from the northern portion of the City of Lakeport Municipal Sewer District (“COLMSD”) for a 25-year period, terminating on June 5, 2026, and that effluent is delivered from COLMSD to LACOSAN’s Northwest Regional Wastewater Treatment Plant (“NWRWTP”); and

WHEREAS, the Parties funded and constructed the Basin 2000 Facilities, including an additional pipeline and other necessary facilities running from the NWRWTP to the terminus of the SERWTP, that permitted LACOSAN to deliver additional Effluent from NWRWTP to the Project; and

WHEREAS, LACOSAN, NCPA and Calpine entered into Amendment No. 1 to the 1995 JOA on December 4, 2001, to address Phase II of the Southeast Geysers Effluent Pipeline

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Project, which increased the delivery rate of Effluent and Makeup Water for injection into the Geysers geothermal reservoir to 7,100 gallons per minute, and other changes (“SEGEP Phase II Project”); and

WHEREAS, the Parties entered into Amendment No. 2 to the 1995 JOA on November 20, 2007 to include terms concerning the Southeast Pump Station Solar Pumps Project (“SPP”); and

WHEREAS, the Parties entered into Amendment No. 3 to the 1995 JOA on March 17, 2009 to include terms concerning the Bear Canyon Zero Booster Pump Station Solar Project (“BCZSP”); and

WHEREAS, on December 12, 2018, Calpine Corporation, a Delaware corporation, as successor-in-interest to Calpine Geysers Company, L.P., a Delaware limited partnership, and Geysers Power Company, LLC, a Delaware limited liability company, executed an Assignment and Assumption of Southeast Geysers Effluent Pipeline Project Agreements that assigned to Geysers Power Company, LLC all right, title, interest, obligations and liabilities under the Southeast Geysers Effluent Pipeline Project Agreements defined in Exhibit A thereto as the Joint Operating Agreement as amended, and the Second Amendment and Restatement of the Steam Suppliers Joint Operating Agreement of the Southeast Geysers Effluent Pipeline Project as amended, and Geysers Power Company, LLC accepted the assignment of all right, title, interest, obligations and liabilities under the Southeast Geysers Effluent Pipeline Project Agreements; and

WHEREAS, LACOSAN, NCPA and GPC constitute the current owners of the SEGEP Project as of the effective date of this 2024 SEGEP Joint Operating Agreement; and

WHEREAS, construction of the Southeast Geysers Effluent Pipeline Project facilities described in the 1995 JOA is complete and the Project became operational on October 16, 1997; and

WHEREAS, construction of the Basin 2000 Facilities is complete and became operational on January 31, 2003; and

WHEREAS, construction of the SEGEP Phase II Project is complete and those upgrades became operational on May 1, 2004; and

WHEREAS, construction of the SPP is complete and became operational on December 1, 2008; and

WHEREAS, construction of the BCZSP Project is complete and became operational on November 1, 2009.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties hereto agree to amend the Agreement as follows:

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Section 1.11 of the Agreement is hereby amended to state as follows:

“Project” shall mean the Southeast Geysers Effluent Pipeline Project and the SEGEP Phase II Project, both of which includes facilities extending from the Northwest Regional Wastewater System to the Clear Lake Makeup Water intake, further extending to the start of the Main Pipeline at the intake side of the Main Pipeline Pumping Plant located at or near the SERWTP.

Section 1.18 of the Agreement is hereby added to state as follows:

“Emergency” means the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, an earthquake, or other conditions, which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment and facilities of any municipal entity and may require the combined forces of a mutual aid region or regions to combat.

Section 4.1 of the Agreement is hereby amended to state as follows:

4.1 The term of this Agreement shall be for a period of twenty-five years from _____ (“Expiration Date”), unless this Agreement is sooner terminated pursuant to Section 8. Upon the Expiration Date. Upon mutual agreement by the Board of Directors of LACOSAN and Steam Suppliers, the Agreement shall be extended for an additional five (5) years.

Section 5.1.2 of the Agreement is hereby amended to state as follows:

5.1.2 Subject to Sections 5.8.2 and 5.8.8, LACOSAN shall own and be responsible for the Operating and Maintenance Work on the pipeline control systems for the Project facilities that extend from the Northwest Regional Wastewater System and from the Clear Lake Makeup Water intake, further extending to the start of the Main Pipeline at the intake side of the Main Pipeline Pumping Plant located at or near the SERWTP.

Section 5.3.3(c) of the Agreement is hereby amended to state as follows:

5.3.3(c) Emergency response procedures and an emergency response plan

Section 5.5.5 of the Agreement is hereby amended to state as follows:

5.5.5 The Parties acknowledge that the supply of Makeup Water to the Project is governed by the terms and conditions of a Clear Lake Water Supply Agreement, dated [XXXX XX,] 2025, entered into by Yolo County Flood Control and Water Conservation District, Lake County, LACOSAN and Steam Suppliers. The Parties acknowledge that the supply of Makeup Water is subject to shortage and interruptions that may occur for periods of one year or more. No Party shall amend the Clear Lake Water Supply Agreement without first obtaining the written approval of all Parties to this Agreement.

Section 5.7.2 of the Agreement is hereby amended to state as follows:

5.7.2 An Authority for Expenditure (“AFE”) is a document authorizing expenditures for the purposes stated in the AFE. An AFE shall be prepared for approval by the JOC for:

- (a) All unbudgeted capital expenditures

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- (b) Budgeted single capital expenditures in excess of \$25,000.00
- (c) Unbudgeted expenses in excess of \$25,000.00
- (d) All power purchase or supply contracts.

It shall not be necessary to obtain approval of an AFE prior to making reasonable expenditures in response to an emergency.

Section 6.3 of the Agreement is hereby amended to state as follows:

6.3 The cost of all major (twenty-five thousand dollars or more) repair, restoration, or reconstruction work, whether caused by an operation emergency or otherwise shall be shared equally by the Parties.

Section 5.8.2 of the Agreement is hereby amended to state as follows:

5.8.2 Steam Suppliers and LACOSAN shall be separately responsible for payment of certain portions of the Operation and Maintenance Work performed on the LACOSAN owned portion of the Project. LACOSAN's percentage share of these costs shall be determined for each budget year by comparing LACOSAN's projected avoided operation and maintenance costs for Effluent disposal to the JOC's approved Operation and Maintenance Work budget for this portion of the Project, exclusive of the budgeted Main Pipeline pumping power costs. Steam Suppliers shall be separately responsible for payment of the remaining percentage, **all of the Clear Lake Makeup Water intake operation and maintenance costs**, and of all the Main Pipeline pumping power costs. Exhibit 1 contains examples of the manner in which the percentage shares shall be calculated.

New Section 5.8.8 of the Agreement is hereby added to state as follows:

Steam Suppliers shall pay LACOSAN a capital improvement contribution amount of \$8,333.33 per month for capital improvements to LACOSAN wastewater treatment and distribution facilities including, but not limited to, maintenance, repairs, and / or replacement of pipes, pumps and other infrastructure improvements. Said capital improvement contribution amount shall be subject to a three percent (3%) annual increase each year during the term of this Agreement. The capital improvement contribution amount shall be included the monthly notice of fees and costs issued in accordance with Section 5.8.5. and shall be due within thirty (30) days after receipt of the notice of fees and costs.

The Parties agree that all other terms and conditions of the original Agreement shall remain in full force and effect.

LAKE COUNTY SANITATION DISTRICT

NORTHERN CALIFORNIA POWER
AGENCY

Chair

Lake County Sanitation District

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Date: _____

Date: _____

APPROVED AS TO FORM:

Date: _____

APPROVED AS TO FORM:
LLOYD GUINTIVANO
County Counsel

CALPINE CORPORATION

By: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Date: _____