California ISO

OFFICER CERTIFICATION FORM

This form is required from all prospective or existing Market Participants that have (or will have) a direct financial relationship with the California Independent System Operator Corporation ("CAISO"), including each Scheduling Coordinator, CRR Holder, or Candidate CRR Holder, and any applicant seeking to become a Scheduling Coordinator, CRR Holder, or Candidate CRR Holder. All Market Participants must submit a new form annually by April 30th.

Market Participant Name: City of Lancaster dba Lancaster Choice Energy ("Market Participant")

I, Jason Caudle, an officer of the entity identified above as "Market Participant", understanding that the CAISO is relying on this certification as evidence that Market Participant meets the minimum participation requirements set forth in the CAISO Tariff and the Business Practice Manual ("BPM") for Credit Management & Market Clearing, hereby certify that I have full authority to represent on behalf of Market Participant and, as evidenced by my initialing each representation in the space provided below, that:

1. The Market Participant is one of the following: JC

   (a) an "appropriate person," as defined in sections 4(c)(3)(A) through (J) of the Commodity Exchange Act; or
   (b) an "eligible contract participant," as defined in section 1a(18)(A) of the Commodity Exchange Act and in 17 CFR 1.3(m); or
   (c) in the business of generating, transmitting, or distributing electric energy as defined in the Final Order of the Commodity Futures Trading Commission at 78 Fed. Reg. 19879; or
   (d) an entity that participates as a Scheduling Coordinator only, and not as a CRR Holder, Candidate CRR Holder or a Convergence Bidding Entity, and is in the business of providing electric energy services that are necessary to support the reliable operation of the transmission system, as defined in the Final Order of the Commodity Futures Trading Commission at 78 Fed. Reg. 19879.

2. The Market Participant will notify CAISO immediately and immediately cease all participation in the CAISO Markets if it no longer satisfies the requirements set forth in Item 1. JC

3. All employees or agents entering into CAISO market transactions on behalf of the Market Participant have received appropriate[1] training and are authorized to transact on behalf of Market Participant. Furthermore, these same employees or agents have satisfied all applicable CAISO training requirements as specified in CAISO Tariff Sections 4.5.1.1.10.1 and 36.5.2. JC

4. Market Participant has and maintains written risk management policies, procedures and controls that provide an appropriate, comprehensive risk management framework that, at a minimum, clearly identifies and documents the range of risks to which Market Participant is exposed through its participation in an organized wholesale electric market. These risks may include but are not limited to credit risk, liquidity risk and market risk. These policies, procedures and controls have been approved by Market Participant's independent risk management function[2] and are applicable to transactions in the CAISO markets in which it participates. Market Participant's employees or agents entering into CAISO market transactions on its behalf have been trained on these policies, procedures and controls. JC

[1] As used in this representation, the term "appropriate" as used with respect to training means training that is commensurate and proportional in sophistication, scope and frequency to the volume of transactions and the nature and extent of the risk taken by the Market Participant.

[2] As used in this representation, a Market Participant's "independent risk management function" can include appropriate corporate persons or bodies that are independent of the Market Participant's trading functions, such as a risk management committee, a risk officer, a Market Participant's board or board committee, or a board or committee of the Market Participant's parent company.

5. The CAISO at any time may request information and documents from Market Participants regarding their risk management policies, procedures and controls, including, but not limited to, information and documents relating to the liquidity of their financial resources and their settlement procedures. If requested, Market Participant shall make information and documents available to the CAISO within five (5) Business Days. __JC_

6. A Market Participant that is also a Congestion Revenue Rights ("CRR") Entity must additionally attest and answer the relevant sections below unless such attestation and answers have been previously provided and there are no material changes to the responses. If there are no material changes from the attestations and answers previously provided to the CAISO, acknowledge by initialing here _DR_ and skip to section 7. Otherwise, narrative responses should be submitted in a separate document citing the appropriate references in Market Participant's current governing risk management policies, procedures and controls.

   a. Please attest and answer the following:

      i) Market Participant, or the company Market Participant may outsource certain risk management functions to, has the ability to periodically value its Congestion Revenue Rights positions using analytically based methodologies, predicated on the use of industry recognized valuation methodologies, which is consistent with the level of risk the Market Participant engages in within the CAISO Markets. _____

         (a) Describe the valuation and risk assessment methodologies used.
         (b) Discuss the highest risks to your CRR trading strategy and the methods used to assess your CRR holdings and activities relevant to such risks.

      ii) Such valuation and risk assessment functions are validated either by persons within Market Participant's organization independent from those trading in the CAISO's CRR markets or by an outside firm qualified and with expertise in this area of risk management. _____

         (a) Describe your processes ensuring the independence of your valuation and risk assessment functions.
         (b) Describe the processes that are in place to ensure risks are adequately reported throughout the organization.

      iii) Having valued its CRR positions and analyzed the potential risks, Market Participant applies procedures and controls, in accordance with written policies, to limit its risks using industry recognized practices, such as value-at-risk limitations, concentration limits or other controls designed to prevent Market Participant from purposefully or unintentionally taking on risk that is not commensurate or proportional to Market Participant's financial capability to manage such risk. _____

         (a) Discuss the relevant methods used to limit exposure in the CRR markets.
         (b) Describe the sources of liquidity your firm has access to in order to minimize the risk of default at various levels of risk events (sections of publicly available SEC filings may be referenced).
         (c) Briefly describe how Delegation of Authority or other policy, procedures and controls is used to restrict traders in the types of transactions they may enter into and their corresponding trade limits.

      iv) Exceptions to Market Participant's written risk policies, procedures and controls applicable to Market Participant's CRR positions are documented and explain a reasoned basis for the granting of any exception. _____

b. A Market Participant that answers "Yes" to either of the following questions need only submit a copy of its current governing risk management policies, procedures and controls, and any associated documentation, if requested by the CAISO. The CAISO retains the right to request these documents at any time and for any reason under Section 5 of this certification form.

   i. Market Participant only receives CRRs from the CAISO's allocation process and does not participate, nor foresees participating in the coming year, in the CRR auctions or purchasing CRRs through any other means except for the limited purpose of unwinding allocated CRR positions. Yes: _____ No: _____

   ii. Market Participant transacts in the CRR Market with the intent to hedge the congestion risk related to the Market Participant's physical transactions as a load serving entity or generation provider and monitors all of the Market Participant's CRR market activity to endeavor to ensure that its CRR positions are either generally proportionate to or generally do not exceed the Market Participant's physical transactions as a load serving entity or generation provider, and are generally appropriate to fulfill the Market Participant's intention to hedge its physical transactions. Yes: _____ No: _____

c. If you responded "No" to questions 6bi and 6bii, based on calculations and results provided by the CAISO, Market Participants whose CRR credit holding requirement, at any time during the past 12 months, was greater than zero are required to provide to the CAISO, in accordance with the CAISO Tariff, a copy of its current governing risk management policies, procedures and controls applicable to its CRR trading activities unless such risk management policies, procedures and controls applicable to its CRR trading activities have been previously provided and there are no material changes to these documents. If there have been no material changes to the risk management policies, procedures and controls previously provided to the CAISO, acknowledge by initialing here. _____

7. Market Participant has appropriate personnel resources, operating procedures and technical abilities to promptly and effectively respond to all CAISO communications and directions, including, but not limited to, the CAISO's issuance of invoices and collateral requests to the Market Participant. __JC__

8. Market Participant has demonstrated compliance with the minimum capitalization requirements as specified in Tariff Section 12.1, and is not aware of any material change in financial condition having occurred (or being imminent) since the release of Market Participant's, or its guarantor's, most recent financial statements that would invalidate such compliance. __JC__

9. I acknowledge that I understand the relevant provisions of Section 12 of the CAISO Tariff and the Business Practice Manual for Credit Management & Market Clearing applicable to Market Participant's business in the CAISO markets, including, but not limited to, those provisions describing CAISO's minimum participation requirements and the enforcement actions available to CAISO if a Market Participant does not satisfy those requirements. I certify under penalty of perjury, under the laws of the State of California, that the information provided herein is true and accurate to the best of my belief and knowledge after due investigation. In addition, by signing this certification, I acknowledge the potential consequences of making incomplete or false statements in this certification.

_____
(Signature)

Print Name: Jason Caudle

Title: City Manager

Date: April 19, 2021

The fully executed Officer Certification Form and associated risk management policies, procedures and controls documentation, as required, must be sent electronically to:

Christina Billing, Lead Treasury & Credit Analyst at cbilling@caiso.com

and

Taylor Adams, Associate Treasury & Credit Analyst at tadams@caiso.com

Should you have any questions related to this form, please contact Christina Billing at (916) 351-2204 or Taylor Adams at (916) 351-2106.