

A. Unsecured Credit Limit for a Local Publicly Owned Electric Utility

A Local Publicly Owned Electric Utility with a governing body having ratemaking authority that has submitted an application for an Unsecured Credit Limit shall be entitled to an Unsecured Credit Limit of one million dollars (\$1,000,000) without regard to its ~~Net Assets~~. Such Local Publicly Owned Electric Utility shall be entitled to request an Unsecured Credit Limit based on ~~Net Assets~~ as provided in Section 12.1.1 of the ISO Tariff~~Section A-2, et seq. of the ISO Credit Policy & Procedures Guide (“Guide”)~~ in order to establish an Unsecured Credit Limit as the greater of the one million dollars (\$1,000,000) or the amount determined as provided in Section 12.1.1 of the ISO Tariff~~Section A-2, et seq. of the Guide~~. Local Publicly Owned Electric Utilities that operate through a Joint Powers Agreement~~subject to the California Joint Exercise of Powers Act (California Government Code, Section 6500, et seq.)~~ or a similar agreement acceptable to the ISO with the same legal force and effect shall be entitled to aggregate their Unsecured Credit Limits except to the extent that a Local Publicly Owned Electric Utility party to a Joint Powers Agreement or similar agreement is also participating independently in the ISO’s markets with an established Unsecured Credit Limit. Local Publicly Owned Electric Utilities that operate through a Joint Powers Agreement or similar agreement that desire to aggregate their Unsecured Credit Limits or assign a portion of their Unsecured Credit Limit to the Joint Powers Authority shall provide ~~relevant~~ documentation that is acceptable to the ISO and that demonstrates the Local Publicly Owned Electric Utility will assume responsibility for the financial liabilities of the Joint Powers Agency associated with the assigned or aggregated portion of the Unsecured Credit Limit. Such documentation may include a guaranty or similar instrument acceptable to the ISO. Unsecured Credit Limits established through this section or through Section 12.1.1 of the ISO Tariff~~Section A-2, et seq. of the Guide~~ shall be subject to the ISO’s consideration of the same qualitative factors that apply to all other Market Participants and FTR Bidders as set forth in Section A-1.3 of the ISO Credit Policy & Procedures Guide, Attachment Z to the ISO Tariff or Section 12.1.1.1 of the ISO Tariff and, accordingly, the ISO may adjust their Unsecured Credit Limits pursuant to Section 12.1.1 of the ISO Tariff~~Section A-2.2 of the Guide~~.

B. Unsecured Credit Limit for an Unrated Governmental Entity that receives appropriations from the federal government or a state government

An Unrated Governmental Entity that receives appropriations from the federal government or a state government that has submitted an application for an Unsecured Credit Limit shall be entitled to an Unsecured Credit Limit of the lower of the cap of 250 million dollars (\$250,000,000) or the amount appropriated by the federal or relevant state government for the purpose of procuring energy and energy-related products and services for the applicable fiscal year. The Unrated Governmental Entity seeking to establish an Unsecured Credit Limit pursuant to this section shall provide documentation establishing its annual appropriations. Unsecured Credit Limits established pursuant to this section or through Section 12.1.1 of the ISO Tariff~~Section A-2, et seq. of the Guide~~ shall be subject to the ISO’s consideration of the same qualitative factors that apply to all other Market

Participants and FTR Bidders as set forth in Section A-1.3 of the **ISO Credit Policy & Procedures** Guide, **Attachment Z to the ISO Tariff** *or* **Section 12.1.1.1 of the ISO Tariff** and, accordingly, the ISO may adjust their Unsecured Credit Limits pursuant to **Section 12.1.1 of the ISO Tariff**~~Section A-2.2 of the Guide.~~

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Joint Powers Agreement An agreement governing a Joint Powers Authority that is subject to the California Joint Exercise of Powers Act (California Government Code, Section 6500, *et seq.*).

Joint Powers Authority An authority authorized by law through which two or more public entities jointly exercise their powers.