

**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 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. A public entity that is not a Local Publicly Owned Electric Utility is not entitled to an Unsecured Credit Limit of one million dollars (\$1,000,000) under this Section but may seek to establish an Unsecured Credit Limit as provided in Section 12.1.1 of the ISO Tariff or any other provision of the ISO Tariff that may apply.

Public entities, including Local Publicly Owned Electric Utilities, that operate through a Joint Powers Agreement, or a similar agreement acceptable to the ISO with the same legal force and effect, shall be entitled to aggregate their Unsecured Credit Limits subject to the following limitations and requirements. A public entity that is a party to a Joint Powers Agreement or similar agreement and that is also participating independently in the ISO's markets with an established Unsecured Credit Limit shall not be entitled to assign or aggregate any portion of its Unsecured Credit Limit that the public entity is using to support financial liabilities associated with its individual participation in the ISO's markets. A Local Publicly Owned Electric Utility that operates through a Joint Powers Agreement or similar agreement that desires to aggregate a portion of its Unsecured Credit Limit that is equal to or less than one million dollars (\$1,000,000) with one or more other Local Publicly Owned Electric Utilities that operate through that Joint Powers Agreement or similar agreement or to assign a portion of its Unsecured Credit Limit that is equal to or less than one million dollars (\$1,000,000) to the Joint Powers Authority shall be entitled to do so. A Local Publicly Owned Electric Utility that operates through a Joint Powers Agreement or similar agreement that desires to aggregate its Unsecured Credit Limit with one or more other Local Publicly Owned Electric Utilities that operate through that Joint Powers Agreement or similar agreement or to assign a portion of its Unsecured Credit Limit to the Joint Powers Authority that exceeds one million dollars (\$1,000,000), and any public entity that is not a Local Publicly Owned Electric Utility that operates through a Joint Powers Agreement or similar agreement that desires to aggregate its Unsecured Credit Limit with one or more other Local Publicly Owned Electric Utilities that operate through that Joint Powers Agreement or similar agreement or to assign any portion of its Unsecured Credit Limit to the Joint Powers Authority, shall provide documentation that is acceptable to the ISO and that demonstrates the Local Publicly Owned Electric Utility or public entity 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 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.

**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 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.

\* \* \* \* \*

**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.