



February 28, 2019 marked the end of the Ninth Term Year (March 1, 2018 – February 28, 2019) for the District under the PPA. The District again failed to meet its Annual Delivery Obligation resulting in an Event of Deficient Energy Deliveries and was assessed a penalty in the amount of \$125,376.28, which was again revised with the lost output arising from the Force Majeure claim.

Due to microturbine damage resulting from the Thomas Fire, a Force Majeure claim for the lost output from December 17, 2017 through July 18, 2018 was submitted and accepted on January 29, 2019 by SCE. SCE applied the lost output for the affected Term Years ending February 28, 2018 and February 28, 2019.

### **PROPOSAL**

As of February 28, 2019, the ending balance showing accrued amounts and payment offsets is \$317,746.49. Since the amount owed is greater than what can be offset against the payment statements for the remainder of the Contract Term ending February 28, 2020, SCE is requesting that the District pay the outstanding balance in full in a timely manner.

This letter has been reviewed by Legal Counsel as to form.

If you should have any questions or need additional information, please contact me by phone at (805) 658-4646 or via email at [tinarivera@vrsd.com](mailto:tinarivera@vrsd.com).



ALVERTINA RIVERA, DIRECTOR OF FINANCE

APPROVED FOR AGENDA:



Chris Theisen, General Manager

Attachments: None