



**Project Identification Agreement
Term Sheet**

This document provides background information and summarizes certain terms anticipated to be in the California High-Speed Rail Authority's Project Identification Agreement to be included in the Request for Qualifications (RFQ) for a Cal CLEAN Partnership (RFQ No. HSR26-20).

This document is not a full restatement of the PIA and the language in the terms are subject to revision. There are numerous details, exceptions, and qualifications associated with the provisions of the PIA that can only be ascertained by reviewing the PIA. This document is not a contract document. Once the PIA is issued in the procurement, the PIA will become the operative document.

Capitalized terms not otherwise defined below have the meanings provided in the RFQ. Wherever the word "including", "includes", or "include" is used in this term sheet, it is deemed to be followed by the words "without limitation."

1. Parties	
Authority	California High-Speed Rail Authority
Developer	The successful Respondent that executes the Project Identification Agreement (PIA) with the Authority.
2. Overview	
Project Identification Agreement (PIA)	The initial written executed contract between the Authority and the successful Respondent. The PIA is the agreement governing the parties' collaborative activities during the initial phase of a potentially longer-term joint diligence and negotiation process. The Developer and the Authority will work collaboratively and in good faith to advance the objectives of the PIA, with the shared goal of identifying viable CLEAN Projects (as defined in the below), where the Authority elects to advance a project, negotiating the terms of one or more Pre-Development Agreements (PDAs) and potentially Development and Lease Agreements (DLAs) for projects approved by the Authority.
Project Identification Phase	The phase of the engagement between the Authority and the Developer that commences upon the execution of the PIA and ends upon the expiration of the term of the PIA, unless terminated earlier.
PIA Work	The Developer is anticipated to perform due diligence and project identification activities for originating, developing, implementing, and monetizing the California corridor-wide, long-term, energy resiliency and asset commercialization network (Cal CLEAN) and associated projects (CLEAN Projects) within the High-Speed Rail Corridor. Developer shall perform the work described in <u>Exhibit 1</u> (Developer PIA Work) attached hereto (collectively, the PIA Work) with the primary objective of identifying, analyzing and providing a detailed proposal to the Authority for one or more CLEAN Projects for development (each, a Project Proposal).
Term	The PIA term is approximately six months.
Authority's Project Identification Phase Collaboration Activities	The Authority's Project Identification Phase collaboration activities are limited to the following: (a) <u>Virtual Data Room</u> – The Authority will establish and maintain a virtual data room providing the Developer with access to reference information reasonably necessary to support diligence activities, which may include ROW mapping and GIS data, infrastructure drawings, System development schedules, and other relevant data and materials as determined by the Authority.

	(b) <u>Site Access</u> – The Authority will coordinate site visits and physical inspections of relevant Authority properties and right-of-way to the extent requested by the Developer and reasonably practicable, in each case, subject to the Authority's operational requirements, safety protocols, and access restrictions. All site visits shall be conducted on terms and conditions established by the Authority, including advance notice requirements and escorted access. (c) <u>Form of PDA</u> – The Authority shall prepare and provide to the Developer a form of PDA reflecting the minimum mandatory terms set forth in <u>Exhibit []</u> (Pre-Development Agreement Minimum Terms) to the PIA, which shall serve as the basis for negotiations on the Pre-Development Phase obligations of the parties.
Proposed Project Review and Approval Process	Upon receipt by the Authority from the Developer of a Project Proposal, the Authority will review and evaluate the Project Proposal as follows: (a) <u>Completeness review</u> - The Authority will review each Project Proposal to confirm it satisfies the minimum content requirements described in <u>Exhibit 1</u> (Developer PIA Work). If the Authority determines a submission is incomplete, it shall notify the Developer in writing identifying the deficiencies, and the Developer shall submit supplemental information. (b) <u>Substantive review and Developer negotiations</u> - The Authority will conduct a substantive review of each complete Project Proposal and expects to engage with the Developer to ask questions and potentially request modifications or clarifications to certain aspects of the Project Proposal. The Developer shall make its personnel reasonably available to respond to and meet with the Authority during this review period. The Developer may revise and resubmit its Project Proposal, as needed. (c) <u>Authority decision</u> - The Authority will notify the Developer in writing of its decision to: (a) approve the proposed project for advancement to the Pre-Development Phase and commence PDA negotiations; or (b) decline to advance the project. The Authority's decision shall be final and made in its sole discretion. (d) <u>PDA negotiation</u> - If the Authority approves a project for advancement, the parties shall commence negotiation of the PDA using the form of PDA prepared by the Authority as the starting point.
No Obligation or Commitment	The PIA does not obligate either party to execute any PDA, or other agreement, or to advance any project beyond the PIA Project Identification Phase, unless and until the parties mutually agree upon the terms of and satisfy the conditions precedent to such an agreement. The Authority is not bound to enter into a future agreement, including but not limited to a PDA and/or a DLA.
No Exclusivity	The Authority, in its sole discretion, may select more than one successful Respondent and award more than one PIA after evaluation of the SOQs

	Nothing in the PIA restricts the Authority from pursuing CLEAN Projects or other commercialization opportunities independently or with any other party during the Project Identification Phase or thereafter. Exclusivity shall be addressed solely in the context of PDA negotiations for a specific approved project.
Future Agreements	The parties acknowledge and agree that if the Authority approves a Project Proposal, the pre-development and implementation of the advanced project will be subject to future agreements to be mutually agreed – a PDA and a DLA, the minimum mandatory terms of which are set forth in Exhibit [] (Pre-Development Agreement Minimum Terms) and Exhibit [] (Development and Lease Agreement Minimum Terms) to the PIA, respectively.
3. PIA Price; Payment	
PIA Price	The total contract value of the PIA is one dollar (\$1.00).
Payment	In consideration of the Developer's performance of the PIA Work, the Authority shall pay the Developer the lawful consideration sum of one dollar (\$1.00) upon termination of the PIA. The parties acknowledge that all PIA Work shall be conducted by the Developer at the Developer's sole cost and expense, and that the Authority has no obligation to reimburse or compensate the Developer for any PIA Work-related costs, expenses, or time incurred, regardless of whether any project is approved for advancement to the Pre-Development Phase.
4. Other Key Contract Terms	
Intellectual Property	All work product under the PIA, and any intellectual property (IP) created as a part of the PIA Work, will be owned by the Authority without restriction or limitation on its use. Intellectual property created independently from the PIA remains the exclusive property of the Developer (and its team). For IP created by Developer prior to the effective date of the PIA, or independently of the PIA Work, incorporated into the PIA Work, Developer will retain IP rights but must grant to the Authority an irrevocable, perpetual, non-exclusive, fully paid-up right and license to use such IP for the PIA Work and any resulting CLEAN Project. For IP owned by any unrelated third party that is incorporated into the Project, Developer must obtain licenses in the name of the Authority to use for the PIA Work, if requested by the Authority.

Termination for Cause	The Authority may terminate the PIA if the Developer fails to perform the requirements of the PIA at the time and in the manner provided in the PIA.
Termination for Convenience	Authority may, in its sole discretion, terminate the PIA, in whole or in part, for the convenience of the Authority.
Indemnification	The PIA will include an indemnity by the Developer to the Authority and other indemnified parties for losses arising out of acts, negligence, omissions, fault, willful misconduct, violation of law, or breach of contract by the Developer and its team in connection with the PIA Work. Developer will not be liable for losses directly caused by or resulting from the sole negligence or willful misconduct of the Authority or other indemnified parties.
Insurance	The Developer will be required to maintain insurance coverage customary for the nature and risks of the PIA Work.
Small Business Program Plan	The PIA will not include the Authority's Small Business goals.
Joint and Several Liability	If the Developer is comprised of more than one entity, then each obligation or undertaking to be fulfilled or performed by the Developer will be the joint and several obligation or undertaking of each such entity.
Authority Reserved Rights	The Authority reserves all rights, exercisable by the Authority in its sole discretion, available to it under applicable law, including without limitation, the reserved rights set forth in the RFQ.
Audit	The Developer agrees that the Authority, the Department of General Services, the Bureau of State Audits/California State Auditor, or their designated representative(s), will have the right to review and to copy any records and supporting documentation pertaining to the performance of the PIA. Developer agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated. Developer agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Developer agrees to include a similar right of the Authority to audit records and interview staff in any subcontract related to performance of the PIA. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
Retention, Access, and Inspection of Records	The Developer agrees to permit the Authority, the High-Speed Rail Authority Office of the Inspector General, and/or their authorized representatives, to access, examine and reproduce by any means whatsoever or to copy excerpts and transcriptions of as reasonably needed any data, documents, reports, records, contracts and supporting

	information (collectively, Records) relating to the PIA and/or the project (as defined in Public Utilities Code section 187010) for the purpose of conducting an audit, examination, review, or investigation. (See Public Utilities Code sections 187000 – 187038.) Developer agrees to allow such access to Records during normal business hours and to allow interviews of any officers, employees, subcontractors or others who might reasonably have information related to such Records. This right of access and inspection of Records is a similar right of the State of California to audit records pursuant to Government Code section 8546.7 and shall also be granted to any subcontract related to performance of the PIA. The Developer agrees to maintain such Records for possible audit examination, review, or investigation for a minimum of three years after final payment, unless a longer period of records retention is required by the PIA. To the extent applicable, Developer will comply with all findings and recommendations that result from such audits, examinations, reviews, or investigations. The Developer will include this provision in all lower-tier subcontracts / subagreements entered into as a result of the PIA.
Enterprise Document Control Requirements	The Developer shall comply with the Authority's Enterprise Document Control Policy and all associated procedures, standards, and guidance. The Developer shall support a centralized, enterprise-wide approach to document control that maintains accuracy, traceability, security, regulatory compliance, and audit readiness throughout the contract lifecycle. All controlled documents shall be managed within the organization's approved Electronic Document Management System (EDMS), which serves as the official system of record. Document Control applies to all controlled project information including but not limited to: • Engineering and technical documents • Construction records • Contracts and procurement documents • RFIs, submittals, and transmittals • Quality, safety, and environmental records • Administrative and program management records All documents shall be retained in accordance with applicable laws, contract requirements, and Authority Records Retention Schedules as outlined in the Authority's Records Management Policy, including permanent retention where required. The Developer shall support Authority and oversight (FRA/FTA) audits, provide access and records on

	request, and report document control performance metrics as directed by the Authority. All records remain the property of the Authority and shall be delivered at closeout in usable native and neutral formats with documented chain of custody.
Governing Law; Venue	The PIA is governed by and will be interpreted in accordance with the laws of the State of California. The venue for any litigation arising from the PIA is in the County of Sacramento. (See Public Utilities Code section 185038.)
5. Federal and State Requirements	
Federal Requirements	The PIA and any future agreement, including a PDA and/or a DLA, may incorporate provisions to comply with applicable federal requirements.
State Requirements	The PIA and any future agreement, including a PDA and/or a DLA, will incorporate provisions required under applicable State law, including but not limited to requirements relating to nondiscrimination.

Exhibit 1**DEVELOPER PIA WORK**

This Exhibit 1 describes the work to be performed by the Developer during the term of the engagement governed by the Project Identification Agreement (PIA). Capitalized terms used but not defined herein have the meanings ascribed to them in the RFQ or the PIA Term Sheet, as applicable.

The format and presentation of all deliverables described in this Exhibit 1 shall be discussed and agreed upon by the parties prior to submission, with the objective of producing work product that is clear, actionable, and sufficient to support the Authority's informed decision-making with respect to each proposed project.

1. GENERAL OBLIGATIONS**1.1. Standard of Performance**

The Developer shall perform all activities contemplated herein (collectively, the PIA Work) in a professional and diligent manner, consistent with the standards of care applicable to experienced infrastructure project developers operating in the California market. The Developer shall apply commercially reasonable efforts to identify viable CLEAN Projects within the HSR Corridor and to advance the objectives of the PIA. The Developer shall have reasonable discretion to determine the appropriate methods, analyses, and resources necessary to fulfill its obligations hereunder, consistent with the terms of the PIA and the goals of the RFQ.

1.2. Collaboration and Interim Briefings

The Developer shall collaborate with the Authority in the performance of the PIA Work, including by responding promptly to the Authority's reasonable requests for information, making Key Personnel available for meetings and briefings as reasonably requested, and providing the Authority with timely notice of any material developments that could affect the viability, scope, or timeline of any proposed project or activity generally.

The Developer shall conduct interim briefings with the Authority prior to submission of the Project Proposals, as reasonably requested by the Authority, at which the Developer shall present its preliminary findings, identify any material issues or constraints encountered during the PIA Work, and solicit the Authority's input on project priorities and preferences. The timing and format of the interim briefings shall be mutually agreed by the parties.

2. PROJECT IDENTIFICATION AND SITE SCREENING**2.1. HSR Corridor Review and Data Analysis**

The Developer shall review and analyze all information made available by the Authority through the virtual data room established pursuant to the PIA for the purpose of identifying portions of the HSR Corridor that are potentially suitable for the development of CLEAN Projects. The Developer shall supplement the Authority's data with its own research and analysis as necessary to conduct a thorough and informed site screening process.

2.2. Site Visits and Physical Inspections

The Developer may conduct site visits and physical inspections of potential project locations in coordination with the Authority and in accordance with the Authority's site access protocols. The

Developer shall provide the Authority with reasonable advance notice of all requested site visits and shall comply with all Authority safety requirements, operational restrictions, and escorted access requirements. The Developer shall bear all costs associated with its site visits and inspections.

2.3. Preliminary Site Screening Report

Within 45 days of the effective date of the PIA, the Developer shall submit to the Authority a Preliminary Site Screening Report identifying the portfolio of potential project sites evaluated by the Developer and summarizing the Developer's preliminary assessment of each site's suitability for a CLEAN Project development. The Preliminary Site Screening Report shall:

- (a) Identify each site evaluated, with assessor's parcel numbers (APNs) and sufficient geographic specificity to allow the Authority to locate and assess the site;
- (b) Summarize the key site screening criteria applied and the Developer's preliminary findings with respect to each site;
- (c) Identify any sites that the Developer has preliminarily determined are not suitable for development, with a brief explanation of the basis for that determination; and
- (d) Identify the sites that the Developer proposes to advance for further analysis and development of a Project Proposal.

The Preliminary Site Screening Report is intended as an interim working document to facilitate dialogue between the parties.

3. CLEAN PROJECT IDENTIFICATION AND PROJECT PROPOSALS

No later than four (4) months following the effective date of the PIA, the Developer shall submit to the Authority a written Project Proposal for each CLEAN Project it proposes for advancement to the Pre-Development Phase. Each CLEAN Project Proposal shall include, at a minimum, the following:

- (a) **Project Description** – A description of the proposed project, including proposed location within the HSR Corridor, anticipated commercial operation date, and a summary of the project's strategic fit with the Authority's goals, and for energy projects, a description of the technology type and estimated installed capacity (in MW or MWh, as applicable);
- (b) **Site Assessment Summary** – A summary of the Developer's technical feasibility and site screening findings for the proposed project location, including identification of material site constraints and proposed mitigation measures related to civil, structural, and geotechnical considerations, site access and constructability constraints, and any proposed modifications to Authority infrastructure;
- (c) **Interconnection Summary** – A summary of the Developer's preliminary interconnection analysis, if applicable, including the proposed interconnection pathway, estimated interconnection costs and timeline, required network upgrades, and key interconnection risks and mitigation strategies;
- (d) **Environmental, Permitting and Other Regulatory Summary** – A summary of the anticipated environmental review and permitting requirements for the proposed project, the proposed regulatory strategy and timeline, and identification of any material regulatory risks, including (i) potential NEPA or CEQA requirements, and (ii) preliminary identification of the other federal, state, and local permits, approvals, and authorizations required for the proposed project, including any applicable Federal Energy Regulatory Commission requirements, permits, and

authorizations and applicable CPUC requirements, permits, and authorizations as set forth in California Public Utilities Code (Cal. Pub. Util. Code § 1 et seq.) and applicable CPUC General Orders, and a proposed regulatory strategy and timeline; the regulatory summary shall be sufficient to inform the Authority's evaluation of the proposed project's regulatory risk and timeline, and to serve as the foundation for the development of a detailed regulatory strategy and schedule during the Pre-Development Phase;

- (e) **HSR Back-up Power Details** – If the proposed CLEAN Project is an energy project and if requested by the Authority, a description (the requirements of which will be mutually agreed) of the proposed approach for using the proposed CLEAN Project, or a component thereof, to provide back-up power for the Authority's System;
- (f) **Preliminary Financial Analysis** — A preliminary project financial analysis, including estimated total project development and construction cost, proposed capital structure, projected annual revenues, and a proposed framework for revenue sharing with the Authority, including both fixed ground lease and variable revenue-based components, together with a description of the key assumptions underlying the financial analysis.

4. PDA TERMS AND NEGOTIATION

4.1. Proposed PDA Terms

Together with a CLEAN Project Proposal, the Developer shall provide:

- (a) **Proposed Pre-Development Phase Scope** – A description of the proposed scope and timeline for the Pre-Development Phase pre-development activities, including, at a minimum:
 - (i) The proposed scope of Pre-Development Phase pre-development activities, including technical engineering, environmental review, interconnection (if applicable), and regulatory work; and
 - (ii) The proposed Pre-Development Phase work plan and milestone schedule, including key deliverables and target completion dates.
- (b) **Proposed Authority Support** – A description of any support the Developer will need from the Authority during the Pre-Development Phase or in connection with the DLA for the proposed project, including: (i) contributions of resources, cost reimbursement, or other financial contributions; (ii) data or technical diligence or support; (iii) regulatory and permitting support; (iv) infrastructure modifications or other accommodations; and (v) any real property interests, licenses, or access rights to be granted by the Authority in connection with the Pre-Development Phase activities or in connection with the DLA for the proposed project.

4.2. PDA Negotiation

Following the Authority's approval of a Project Proposal for advancement to the Pre-Development Phase, the Developer shall negotiate in good faith with the Authority to finalize the form of PDA for the approved project, using the Authority's form of PDA as the starting point and the Developer's proposed PDA terms as a basis for negotiation of project-specific commercial terms for the PDA.