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Chief Executive Officer  
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Mr. Kenneth Farfsing  
City Manager  
City of Carson, California  
701 East Carson Street  
Carson, California  
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RE: California Energy Commission Zero Net, Advanced Energy Community

Dear Mr. Farfsing:

As you are aware, Charge Bliss, Inc. (CBI) was awarded a grant from the California Energy Commission (CEC) to design a Zero Net, Advanced Energy Community (ZN-AEC) for an air-quality disadvantaged community in Southern California (GFO-15-312). The CBI team elected to offer this opportunity to the City of Carson, California which accepted. In the ensuing period, the CBI team designed a project that is calculated to render the affected City properties zero net annual consumers of utility energy and significantly reduce both energy and demand cost through the deployment of new chillers, LED lighting throughout, over 2.3 megawatts of solar energy production and over 4 megawatt-hours of batteries. In addition, the team was prepared to include up to 40 level II and four (4) ultrafast electric vehicle charging units to promote transportation electrification. This was offered to the City with zero up-front capital expense to the City and a Power Purchase Agreement (PPA) price that is lower than demonstrable norms for similar systems that were demonstrated to City officials. We have provided over 1000 pages of supporting documentation including professionally engineered drawings, specifications, analytics, financials, support letters, and comprehensive responses to each query from the City or its representatives. CBI also involved multiple groups to provide the CEC-required private investment for project execution and was able to engage 127 Energy to provide up to nearly \$9MM. The nearly \$20MM project, including \$10MM in CEC grant funding, would have been a groundbreaking advance for the City, its residents and visitors, and similar urban corridor communities throughout the State and beyond.

Despite six months of additional time provided by the CEC with deadline extensions that have now run out, we have been unable to reach agreement with the City with regard to critical elements. Moreover, in the most recent several weeks, the City has layered significant additional legal, financial, time, and technical burdens upon the investors and CBI without evidence of meaningful progress on prior items. Though we have made every attempt to be flexible with respect to time deadlines and the increasing number and significance of City demands, this has

not borne fruit. Therefore, after extensive discussion among all of the proposing team members, we must withdraw the offer of this project to the City of Carson. Above all, our team expresses deep disappointment that the community of Carson, California will fail to benefit from cleaner air, cleaner energy, cleaner transportation, and desperately needed savings that could have been used to fund other, essential municipal projects.

As per our contractual agreement, we request that all copies of designs, drawings, plans, specifications and related materials be returned to Charge Bliss as these are the sole property of CBI. Any attempt by the City to use these materials, directly or indirectly, will be considered a violation of the agreement and will be addressed accordingly. We appreciate your prompt and complete attention to this matter.

We are grateful to the citizens of Carson, California for their interest in and advocacy for clean, renewable energy systems in their City. We are particularly gratified by the outpouring of support from innumerable Carson residents, educators, non-profits, Southern California Edison, the California Energy Commission, and many others. While all parties believe this would have been an extraordinary and lasting achievement with impacts over generations, we realize this is not achievable at this time.

We wish the City, its representatives, and its citizens all the best for their future endeavors.

Respectfully,

*David Bliss*

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