June 16, 2016

Advice Letters 3390-E & 3390-E-A

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
E-mail: AdviceTariffManager@sce.com

Subject: Approval of Advice Letters 3390-E and 3390-E-A

Dear Mr. Worden:

The California Public Utilities Commission (Commission) adopted Resolution E-4770 on March 17, 2016, ordering Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (collectively the Investor-owned utilities or IOUs) to hold a solicitation for facilities that can use feedstock from high hazard zones using the Renewable Auction Mechanism (RAM) procurement process and standard contract (BioRAM solicitation). Specifically, Resolution E-4770 ordered the IOUs to file Tier 2 Advice Letters consisting of a contract rider to be used along with the Commission-approved standard RAM contract and the solicitation documents. On April 7, 2016, SCE submitted Advice Letter 3390-E requesting approval of a RAM contract rider to be used for a RAM auction targeting facilities that can use feedstock from high hazard zones. On May 31, 2016, SCE filed supplemental Advice Letter. On April 25, 2016 the Forest Service protested and the Independent Energy producers (IEP) responded to and on April 27, 2016 the California Biomass Energy Alliance (CBEA) protested Advice Letter 4822-E. Staff read and considered all comments but limits the discussion herein to only the relevant issues.

Project Development Security and Performance Security:

The IOU’s standard RAM contract approved by D.15-12-025 requires all successful bidders to post performance security and development security bonds upon Commission approval of their contracts. CBEA protests the inclusion of the development and performance security for the BioRAM solicitation and suggests that the IOUs should make an exception for the BioRAM solicitation.

CBEA’s protest is without merit. Performance and development security bonds are pre-approved contract terms in the standard RAM contract and can only be altered through a formal process.\(^1\) Therefore, CBEA’s protest that a successful bidder in the BioRAM solicitation should not have to pay a development security and a performance security is denied.

\(^1\)D.14-11-042 specified that the IOUs should submit their standard RAM contracts with the RPS plans for Commission approval
Minimum Fuel Requirement Shortfall:

In accordance with Resolution E-4770, SCE offers facilities the option to either terminate the contract or to operate at the current ReMAT baseload price of $89.23 /MWh for the duration of the contract once the facility can no longer meet the minimum required high hazard zone fuel requirement. SCE filed a supplemental Advice Letter modifying its rider to give a facility that does not meet its annual minimum high hazard zone fuel requirement a one-time opportunity to request that the contract price be re-established in a future year. The Forest Service, CBEA, and IEP protest this provision.

The protests of the Forest Service, CBEA, and IEP ignore that the scope and timing of Resolution E-4770 are directed to address the Proclamation - to protect public safety and property from falling dead trees and wildfire. The authorized procurement is meant to incentivize facilities to use removed high hazard biomass fuel from high hazard zones. Resolution E-4770 does not allow any dilution of minimum fuel standards. Therefore, the protest of the Forest Service, CBEA, and IEP that the IOUs should revise the minimum fuel requirement shortfall in the BioRAM solicitation is denied.

Conclusion
SCE Advice Letter 3390-E and supplemental 3390-E-A is approved on June 14, 2016.

Sincerely,

Edward Randolph, Director
Energy Division
ADVICE 3390-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Request for Modifications to SCE’s Renewables Portfolio Standard (“RPS”) Program for the Biofuel Renewable Auction Mechanism (“BioRAM”) Request for Offers (“RFO”) Pursuant to Resolution E-4770 and Decision 14-11-042

PURPOSE

In compliance with Ordering Paragraph (“OP”) 2 of the California Public Utilities Commission’s (“Commission” or “CPUC’s”) Resolution E-4770 issued on March 18, 2016, Southern California Edison Company (“SCE”) respectfully submits this advice letter to modify specific components of SCE’s RPS program for the BioRAM RFO.1

OP 30 of Decision (“D.”)14-11-042 allowed SCE to use a streamlined procurement process for projects using the standard RPS Power Purchase Agreement (“PPA”).2 This streamlined procurement process beginning in the 2015 RPS solicitation replaced the Renewable Auction Mechanism (“RAM”) which was completed after the RAM 6 auction was completed in 2015.3 On January 21, 2016, SCE submitted a standard RPS PPA for use in its 2015 RPS solicitation.4 The standard RPS PPA conformed with D.15-12-025. The standard RPS PPA is, thus the most current approved RAM-like PPA available for use in the BioRAM RFO.

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1 OP 2 ordered SCE to file a Tier 2 Advice Letter consisting of a rider to be used along with its currently approved Renewable Auction Mechanism contract within 21 days of the date of issuance of Resolution E-4770. SCE uses the standard RPS contract as its Renewable Auction Mechanism contract.

2 Decision D.14-11-042, OP 30, allowed utilities to include a streamlined procurement tool. The procurement tool had seven parameters including a requirement to use a standard PPA.

3 D.14-11-042, p.91 and OP 30-31.

SCE hereby requests approval of the following documents for use in its BioRAM RFO process: 1) the BioRAM Rider and Amendment to the standard RPS PPA, and 2) the BioRAM RFO Instructions. These documents will be added to those used in the 2015 RPS solicitation and adopted D.15-12-025. This advice filing contains the appendices listed below.

Appendix A: BioRAM Rider and Amendment to Renewable Power Purchase Agreement

Appendix B: Redline of Modified BioRAM RFO Instructions versus Approved 2015 RPS RFO Instructions

Appendix C: Modified BioRAM RFO Instructions

To implement the BioRAM program, SCE’s proposed modifications to the 2015 standard RPS PPA and RPS RFO Instructions range from material changes to minor and ministerial changes to the standard RPS PPA and program. The most significant changes are discussed below. Appendix A shows the changes made to the standard RPS PPA in the form of a Rider and Amendment. Likewise, Appendix B shows both the most significant changes discussed below and the minor and ministerial improvements to the RPS RFO Instructions in a redlined version of SCE’s proposed BioRAM RFO Instructions marked to show change from SCE’s approved 2015 RPS RFO Instructions.

SCE respectfully requests the Commission’s approval of Appendix A, the BioRAM Rider and Amendment, as well as Appendix C, the clean BioRAM RFO Instructions.

BACKGROUND

In D.10-12-048, the Commission adopted a new procurement process called the RAM to procure renewable energy from projects 20 Megawatts (“MW”) or less that are eligible under the RPS. On November 24, 2014, the Commission issued D.14-11-042 that ordered the Investor-Owned Utilities (“IOUs”) to hold a sixth and final RAM solicitation by June 30, 2015 and establish a streamlined contract tool for future RPS solicitations.

On October 30, 2015, California Governor Edmund G. Brown, Jr. issued a Proclamation of a State Emergency (“Proclamation”). The Proclamation ordered various state actions.

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5 The IOUs are Pacific Gas and Electric Company, SCE, and San Diego Gas & Electric Company.
6 D.14-11-042, at p. 91.
7 Id., OP 30 allowed utilities to include a streamlined procurement tool. The parameters of the procurement tool include: (1) a standard contract; (2) product categories; (3) expanded service territory; (4) align RAM valuation methodology with RPS Program; (5) require a Phase II Interconnection Study; (6) a commercial online date of on or before 36 month with a 6-month extension for regulatory delays requirement for new projects; and (7) a flexible approval process.
agencies to identify high hazard zones for wildfire and falling trees. The Proclamation also ordered the CPUC to take expedited action to ensure execution of PPAs within six months with generating facilities receiving feedstock from high hazard zones. This specifically included initiating a targeted RAM process to be used to obtain PPAs with these bioenergy facilities.9

On March 17, 2016, the CPUC voted out Resolution E-4770 ("Resolution") in response to the Proclamation. The Resolution ordered SCE to procure at least 20 MW of power of the total 50 MW minimum requirement for the IOU’s from facilities that can utilize fuel from high hazard zones.10 In addition, the Resolution set various program requirements for BioRAM.11 Resolution E-4770 established that the “RAM” platform for procurement of eligible renewable resources using forest biofuels from high hazard zones should use SCE’s standard RPS PPA, also known as the RPS Standard Contract Option. The Commission approved the RPS PPA as the “RAM- like” approach to procuring eligible renewable resources in the 2015 RPS RFP in D. 15-12-025.12

To create the documents for the BioRAM procurement, SCE utilized the following parameters in the BioRAM RFO Instructions and where applicable, in the BioRAM PPA Rider to be used in conjunction with the standard RPS PPA:

1. Least Cost Best Fit (LCBF) evaluation, instead of Price plus Transmission Adder minus RA benefits (“PTAR”);13

2. Phase II Interconnection Studies or better, instead of Phase I;14

3. Three years to COD, instead of two years;15

4. No plant size limit, instead of 20 MW;16

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8 Proclamation of a State Emergency, California Governor Edmund G. Brown, Jr., October 30, 2015 OP 1 ordered the Department of Forestry and Fire Protection, the California Natural Resources Agency, the California Department of Transportation, and the California Energy Commission to identify high hazard zones.


10 Resolution E-4770, at page 5.

11 Id., at page 5-6.

12 D.15-12-025, pp. 80 and OP 1.

13 Resolution E-4770, p. 3

14 Id.

15 Id.

16 Id at, pp. 5, 10, and 16: “IOUs may procure more capacity than these required minimums” and “to enable more facilities to participate”.
5. Resources located anywhere in CAISO service area and resources that can be dynamically scheduled into CAISO, instead of in the three IOUs’ service territories;17

6. IOUs shall favor bids that commit to exceeding the specified fuel requirements;18 and

7. 3-5 year contract terms for existing facilities, and 10 year terms for new facilities, instead of 10, 15, or 20 years.19

The Resolution also required the IOUs to file a Tier 2 Advice Letter consisting of a rider to be used along with the standard RPS PPA as well as modified solicitation documents within 21 days of the vote on the Resolution.20

Today, consistent with the Commission’s direction in D.14-11-042, D. 15-12-025, and Resolution E-4770, SCE files this advice letter requesting approval of the SCE BioRAM RFO Instructions and BioRAM Rider and Amendment to the standard RPS PPA with the intent that these modifications will apply to SCE’s BioRAM RFO.

PROPOSED MODIFICATIONS TO RPS RFO INSTRUCTIONS FOR THE BioRAM RFO INSTRUCTIONS

SCE submits the following modifications to its BioRAM RFO Instructions. SCE requests that the Commission approve the following changes for BioRAM:

- Fuel Resource Category: The BioRAM RFO Instructions incorporate minimum fuel resource requirements that limit the Generating Facility to utilizing minimum thresholds of fuel from high hazard zones.

- Minimum Procurement Target: The BioRAM Instructions identify the minimum procurement target of 20 MW from bioenergy facilities receiving feedstock from high hazard zones.

- SCE Preferences: The BioRAM Instructions indicate SCE’s preference for bids that commit to meeting the specified fuel requirements on an accelerated basis.

PROPOSED MODIFICATIONS TO THE STANDARD RPS PPA THROUGH THE BioRAM RIDER AND AMENDMENT

SCE submits the following modifications to SCE’s standard RPS PPA through the use of a Rider and Amendment. Each of these modifications has been approved by the Commission for use in the BioRAM Rider and Amendment, as noted:

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17 Id. at p.3
18 Id at pp. 5 and 12.
19 Id. at p. 11.
20 Id., OP 2, at page 18.
• Fuel Use Requirement: Language has been added to require Seller to utilize fuel from high hazard zones in minimal thresholds.

• Termination Right or Reduction in Product Price: Once the Proclamation ends and the Generating Facility can no longer meet the minimum high hazard zone fuel requirements, Seller has an option to either terminate the PPA or continue the Term of the PPA at a Product Price of $89.23/Mwh.

• Term: Existing facilities shall have a five year contract option and SCE shall have the right to extend the Term of the Agreement on a one year basis for a cumulative total of ten years so long as high hazard zone fuel is available at the minimum fuel threshold. New facilities shall have a term of ten years.

• Quarterly Fuel Attestations: Seller is required to submit quarterly and annual attestations to SCE during the Term of the PPA. The attestations must contain representations and warranties related to the high hazard zone, weight, heat content and percentage of fuel burned to generate the Product.

• Audit Rights: SCE shall have audit and inspection rights in order to confirm Seller’s representations and warranties related to its fuel use.

• Commercial Operation Date: Allows the Commercial Operation Date to occur no later than thirty-six (36) months after CPUC approval of the PPA.

• Event of Default: An Event of Default shall occur if (i) Seller breaches any of the representations, warranties and covenants related to Seller’s fuel use requirements, or (ii) Seller fails to deliver the quarterly or annual fuel attestation within the prescribed periods.

• Liquidated Damages: Seller shall pay liquidated damages in the event that Seller is late in delivering the quarterly or annual fuel attestations.
SAFETY PROVISIONS

Safety is a high priority in all utility activities, both for the Commission and for SCE. The Rider to the standard RPS PPA for BioRAM incorporates the standard RPS PPA including all changes to the 2015 standard RPS PPA contemplating safety in design, construction, and operations in multiple ways, including following prudent electrical practices, complying with applicable laws related to zoning and safety, providing certification of a written plan for safe construction and operation of the generating facility and requiring adequate insurance coverage.

REQUEST FOR COMMISSION APPROVAL

To launch the BioRAM Auction using the modifications proposed in this advice letter, SCE respectfully requests that the Commission approve the modifications set forth above and in the appendices on an expedited basis by May 7, 2016, specifically including:

1. Approval of the BioRAM Rider and Amendment in its entirety;

2. Approval of the Modified BioRAM RFO Instructions

TIER DESIGNATION

Pursuant to Resolution E-4770, OP 2 and General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on May 7, 2016, the 30th calendar day after the date filed.

NOTICE

Anyone wishing to protest this advice letter may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this advice letter. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this advice letter should
also be sent by letter and transmitted via facsimile or electronically to the attention of:

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: AdviceTariffManager@sce.com

Michael Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: Karyn.Gansecki@sce.com

With a copy to:

Carol Schmid-Frazee  
Senior Attorney  
Southern California Edison Company  
2244 Walnut Grove Avenue, 3rd Floor  
Rosemead, CA 91770  
Facsimile: (626) 302-3990  
E-mail: Carol.SchmidFrazee@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is furnishing copies of this advice letter to the interested parties shown on the attached R.15-02-020 and GO 96-B service lists. Address change requests to the GO 96-B service list should be directed to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at ProcessOffice@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the Advice Letter at SCE’s corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE’s web site at https://www.sce.com/wps/portal/home/regulatory/advice-letters.
All questions concerning this Advice Letter should be directed to Janos Kakuk at (626) 302-3584 or by electronic mail at Janos.Kakuk@sce.com.

Southern California Edison Company

/s/ Russell G. Worden
Russell G. Worden

Enclosures
Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:  
☐ ELC  ☐ GAS  ☐ PLC  ☐ HEAT  ☐ WATER  
☐ ELC  ☐ GAS  ☐ PLC  ☐ HEAT  ☐ WATER

Contact Person: Darrah Morgan  
Phone #: (626) 302-2086  
E-mail: Darrah.Morgan@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric  GAS = Gas  PLC = Pipeline  HEAT = Heat  WATER = Water

Advice Letter (AL) #: 3390-E  Tier Designation: 2

Subject of AL: Request for Modifications to SCE’s Renewables Portfolio Standard (“RPS”) Program for the Biofuel Renewable Auction Mechanism (“BioRAM”) Request for Offers (“RFO”) Pursuant to Resolution E-4770 and Decision 14-11-042

Keywords (choose from CPUC listing): Compliance, Procurement, Agreements

AL filing type: ☐ Monthly  ☐ Quarterly  ☐ Annual  ☐ One-Time  ☐ Other  
☐ One-Time

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-4770 and Decision 14-11-042

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? ☐ Yes ☒ No

Requested effective date: 5/7/16  No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): 

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed:\  

Pending advice letters that revise the same tariff sheets: None

\ Discuss in AL if more space is needed.
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Russell G. Worden
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Michael R. Hoover
Director, State Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

With a copy to:

Carol Schmid-Frazee
Senior Attorney
Southern California Edison Company
2244 Walnut Grove Avenue, 3rd Floor
Rosemead, CA 91770
Facsimile: (626) 302-3990
E-mail: Carol.SchmidFrazee@sce.com
Appendix A

BioRAM Rider and Amendment to
Renewable Power Purchase Agreement
BIOGRAM RIDER AND AMENDMENT

to the

RENEWABLE POWER PURCHASE AGREEMENT
(RAM STANDARD CONTRACT)

Between

SOUTHERN CALIFORNIA EDISON COMPANY

and

[NAMES OF SELLER]

PREAMBLE

This BioRAM Rider and Amendment to the Agreement (as defined below) is made and effective as of the following date: [Date of Execution] (“Effective Date”).

This Agreement is entered into between:

(i) Southern California Edison Company (“SCE”), a California corporation, whose principal place of business is at 2244 Walnut Grove Avenue, Rosemead, California 91770, and

(ii) [Seller’s Name] (“Seller”), a [Seller’s jurisdiction of organization and type of organization], whose principal place of business is at [Seller’s place of business].

SCE and Seller are sometimes referred to herein individually as a “Party” and jointly as the “Parties.” Unless the context otherwise specifies or requires, capitalized terms in this Agreement have the meanings set forth in Exhibit A to the Agreement.

RECITALS

A. Pursuant to CPUC Resolution E-4770, SCE has been directed to hold a solicitation for contracts with facilities that can use forest fuel from high hazard zones to address an

The contents of this document are subject to restrictions on disclosure as set forth in the Agreement.

BioRAM Rider and Amendment

1
Emergency Proclamation issued by the Governor of the State of California using the Renewable Auction Mechanism (RAM) procurement process (the “BioRAM”).

B. Concurrently herewith, SCE and Seller shall enter into that certain Renewable Power Purchase Agreement (as amended from time to time, the “Agreement”) under which, among other things, Seller will sell to SCE, and SCE will purchase from Seller, Product upon commencement of the Term.

C. The Parties seek to modify the Agreement in order to incorporate provisions related to BioRAM.

AGREEMENT

In consideration of the promises, mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, as set forth herein, the Parties agree to amend the Agreement as follows:

1. Section 1.01(i) is deleted and replaced with the following:
   “(i) Fuel Resource Category: High Hazard Zone Fuel or, pursuant to Section 3.25(e)(ii) or Exhibit P, [Insert alternate Fuel Resource Category]”

2. Section 1.03(a) and 1.03(b) are deleted and replaced with the following:
   “(a) Subject to any extensions made pursuant to Sections 3.06(c) or 5.03, and further subject to Section 1.03(c), the Commercial Operation Date must be no later than [Date] [the date that is thirty-six months after CPUC Approval] [SCE Comment: For Standard Contract Option] (“Commercial Operation Deadline”).
   
   (b) Subject to Section 1.03(d), if Seller has not obtained Permit Approval on or before that date that is ninety (90) days before the date that is thirty-six (36) months from the date of CPUC Approval, then, upon SCE’s receipt of Notice from Seller, which Notice must be provided at least sixty (60) days before the date that is thirty-six (36) months from the date of CPUC Approval, the Commercial Operation Deadline shall be extended six (6) months from the date that is thirty-six (36) months from the date of CPUC Approval; provided, however, such extension shall not be given if the failure to
obtain Permit Approval was as a result of Seller’s failure to take all commercially reasonable actions to apply for and meet all of its requirements and deadlines to obtain such Permit Approval.”

3. Section 1.04 is deleted and replaced with the following:

“1.04 Term.

(a) The Term commences on the Commercial Operation Date determined in accordance with Section 2.02 and ends on the last day of the calendar month that is [number of months in Term (#)] months ([number of years in Term (#)] years) from the month of the Commercial Operation Date (the “Term”).

[SCE Comment: For existing generating facilities the term shall be between 5-10 years, so long as High Hazard Zone Fuel is available at the minimum fuel requirement. For new generating facilities the term shall be 10 years.]

(b) In the event that the Emergency Period extends beyond the initial Term set forth in Section 1.04(a) of this Agreement, SCE shall have the right to extend the Term of the Agreement for consecutive one year periods (the “Extended Term”) until such time as the Emergency Period has expired; provided, however, in no event shall the Extended Term extend beyond the date that is (120) months from the month of the Commercial Operation Date. (SCE Comment: Language applies to existing generating facilities only.)

4. Section 1.05(a) is deleted and replaced with the following:

“(a) Subject to Sections 1.05(b), 1.05(c)(i) and 1.05(d), during an Emergency Period, and to the extent an Event of Fuel Unavailability has not occurred, the Product Price is [Dollar amount text] dollars ([Number]) per MWh, [escalated at [Number text] percent ([Number] %) per Term Year] (if applicable).”

5. Section 1.05 is amended to add a new subsection (d) as follows:

“(d) Alternate Product Price. Subject to Seller’s right to terminate this Agreement pursuant to Section 2.03(c), upon the occurrence of a Fuel Resource Failure or an Event of Fuel Unavailability, the Product Price shall be Eighty Nine Dollars and Twenty-Three Cents ($89.23) per MWh (the “Alternate Product Price”).”

The contents of this document are subject to restrictions on disclosure as set forth in the Agreement.
6. Section 1.06 is amended to delete the bracketed and highlighted SCE Comment and replace such comment as follows:

"{SCE Comment: Performance Assurance will be calculated as the greater of: (i) five percent (5%) of the total project revenues over the full Term, or (ii) the result of the highest Product Price during the Term minus the Alternate Product Price, which difference shall be multiplied by the Expected Annual Net Energy Production.}"

7. Section 2.03(c) and 2.03(d) are deleted and replaced with the following:

“(c) Termination Right of Seller. Upon the occurrence of a Fuel Resource Failure, Seller shall have the right to terminate this Agreement on Notice, which termination shall be effective thirty (30) Business Days after the date such Notice is given to SCE.

(d) Uncured Defaults.

Upon the occurrence of an Event of Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 6.02.

(e) End of Term.

This Agreement automatically terminates at the end of the Term as set forth in Section 1.04 unless earlier terminated as provided in this Agreement.”

8. Section 3.25 is deleted in its entirety and replaced with the following:

“3.25 Fuel Use Requirements; Fuel Source Certification.

(a) Seller hereby represents, warrants and covenants to SCE that throughout the Delivery Term, Seller shall satisfy the fuel requirements set forth in this Section 3.25 (the “Fuel Use Requirements”).

Through the duration of the Emergency Period, Seller shall utilize High Hazard Zone Fuel, in the minimum thresholds set forth in the below table, to generate Product for sale to SCE and if applicable, Useful Thermal Energy Output from the Generating Facility to serve Site Host Load and Station Use (“Fuel Use”). Seller’s Fuel Use shall increase annually in accordance with the operational year and the applicable percentage thresholds identified in the below table.

The contents of this document are subject to restrictions on disclosure as set forth in the Agreement.

BioRAM Rider and Amendment
(b) Seller hereby covenants that upon the commencement of the Term and so long as SCE has not received Notice of an Event of Fuel Unavailability, Seller shall provide to SCE an attestation of the Generating Facility’s compliance with the Fuel Resource Requirements for such calendar year in the form provided as Exhibit O (the “Quarterly Fuel Attestation”). The Quarterly Fuel Attestation shall be delivered to SCE no later than five (5) days after the last day of each calendar quarter during the Term (“Quarterly Fuel Attestation Due Date”). Upon Notice of an Event of Fuel Unavailability, Seller shall no longer be required to complete and deliver the Quarterly Fuel Attestation.

(c) Seller hereby covenants that the information contained in its Quarterly Fuel Attestation shall be true, complete and correct. SCE shall have the right to request and review documentation upon which Seller’s Quarterly Fuel Attestation is based.

The contents of this document are subject to restrictions on disclosure as set forth in the Agreement.
(d) If Seller (i) breaches any of the representation, warranties and/or covenants set forth in the Quarterly Fuel Attestation, (ii) fails to deliver the Quarterly Fuel Attestation by the Quarterly Fuel Attestation Due Date, or (iii) otherwise fails to comply with the Fuel Use Requirements in any calendar year as determined by SCE, based on: (x) the Quarterly Fuel Attestation and supporting documentation requested and received by SCE, if any, (y) SCE’s inspection of the Generating Facility, or (z) SCE’s reasonable determination that the information contained in any Quarterly Fuel Attestation does not reflect the actual Fuel Use at the Generating Facility for the prior Contract Year (each a, “Fuel Resource Failure”), Seller shall no longer receive the Product Price and the Alternate Product Price shall automatically take effect, retroactive to the beginning of the calendar year in which the Fuel Resource Failure occurred;

(e) In the event that Seller is unable to obtain High Hazard Zone Fuel in sufficient quantities to meet the Fuel Use Requirements set forth in Section 3.25(a) (an “Event of Fuel Unavailability”), Seller shall have the right to either:

(1) Elect to terminate this Agreement; or

(2) Elect to switch to the Fuel Resource Category designated in Section 1.01(i), upon which the Seller shall commence to receive the Alternate Product Price instead of the Product Price.

Upon the occurrence of an Event of Fuel Unavailability, Seller shall provide SCE with Notice no later than thirty (30) days after the occurrence of any such Event of Fuel Unavailability. Such Notice shall indicate whether Seller has elected to terminate the Agreement or switch to the Fuel Resource Category designated in Section 1.01(i).”

9. Exhibit A is amended to include the following new definitions in the appropriate alphabetical order:

“Alternate Product Price” has the meaning set forth in Section 1.05(d).

“Emergency Period” shall mean the period of time within the Term of this Agreement in which the Emergency Proclamation, as made effective on October
30, 2015, to protect public safety and property from falling dead trees and wildfire is in effect.

“Extended Term” has the meaning set forth in Section 1.04(b).

“Event of Fuel Unavailability” has the meaning set forth in Section 3.25(e).

“Fuel Resource Failure” has the meaning set forth in Section 3.25(d).

“Fuel Resource Requirements” means, prior to the occurrence of an Event of Fuel Unavailability, those Fuel Use Requirements set forth in Section 3.25(a), and after the occurrence of an Event of Fuel Unavailability, those Fuel Use Requirements set forth in Section 3.25(e).

“Fuel Use” has the meaning set forth in Section 3.25(a).

“Fuel Use Requirements” has the meaning set forth in Section 3.25(a).

“High Hazard Zone Fuel” means tree waste from areas specifically identified by either the Department of Forestry and Fire Protection, the California Energy Commission, the California Natural Resources Agency, or the California Department of Transportation as high hazard zones for wildfire and falling trees.

“Quarterly Fuel Attestation” has the meaning set forth in Section 3.25(b).

“Quarterly Fuel Attestation Due Date” has the meaning set forth in Section 3.25(b).

“Site Host Load” means the electric energy produced by or associated with the Facility that serves electrical loads (that are not Station Use) of Seller or one or more third parties conducted pursuant to California Public Utilities Code Section 218(b).

“Useful Thermal Energy Output” has the meaning set forth in 18 CFR §292.202(h) and modified by the Energy Policy Act of 2005, or any successor thereto. [SCE Comment: Language only applicable to cogeneration facilities.]”
10. Section 1.02 of Exhibit E is amended to replace the phrase “A = Product Price specified in Section 1.05 in $/kWh (i.e., $/MWh/1000)” with “A = Product Price, or Alternate Product Price, specified in Section 1.05 in $/kWh (i.e., $/MWh/1000)”

11. Exhibits O is deleted in its entirety and replaced with a new Exhibit O, attached hereto.

12. Miscellaneous.

(a) Reservation of Rights. Each of the Parties expressly reserves all of its respective rights and remedies under the Agreement.

(b) Legal Effect. Except as expressly modified as set forth herein, the Agreement remains unchanged and, as so modified, the Agreement shall remain in full force and effect. Each of the Parties hereby represents and warrants that the representations contained in the Agreement are true on and as of the date hereof as if made by the Party on and as of said date.

(c) Governing Law. THIS BIORAM RIDER AND AMENDMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERUNDER SHALL BE GOVERNMED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS BIORAM RIDER AND AMENDMENT.

(d) Successors and Assigns. This BioRAM Rider and Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(e) Authorized Signatures; Notices. Each Party represents and warrants that the person who signs below on behalf of that Party has authority to execute this
BioRAM Rider and Amendment on behalf of such Party and to bind such Party to this BioRAM Rider and Amendment. Any written notice required to be given under the terms of this BioRAM Rider and Amendment shall be given in accordance with the terms of the Agreement.

(f) **Effective Date.** This BioRAM Rider and Amendment shall be deemed effective as of the Execution Date.

(g) **Further Agreements.** This BioRAM Rider and Amendment shall not be amended, changed, modified, abrogated or superseded by a subsequent agreement unless such subsequent agreement is in the form of a written instrument signed by the Parties.

(h) **Counterparts; Electronic Signatures.** This BioRAM Rider and Amendment may be executed in one or more counterparts, each of which will be deemed to be an original of this BioRAM Rider and Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this BioRAM Rider and Amendment and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF), or by other electronic means shall constitute effective execution and delivery of this BioRAM Rider and Amendment as to the Parties and may be used in lieu of the original BioRAM Rider and Amendment for all purposes.

[Remainder of Page Left Intentionally Blank.]
IN WITNESS WHEREOF, the Parties hereto have caused this BioRAM Rider and Amendment to be executed as of the Execution Date.

[Seller],
a [State and form of incorporation].

By: ________________________________

[Name]
[Title]

SOUTHERN CALIFORNIA EDISON COMPANY,
a California corporation.

By: ________________________________

Colin Cushnie
Vice President, Energy Procurement & Management
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Attn: Vice President, Energy Procurement & Management

Subject: Renewable Power Purchase Agreement (“PPA”) by and between Southern California Edison Company (“SCE”) and [Insert Seller’s full legal name], a [Insert Seller’s form of entity and state of registration] (“Seller”) – [Quarterly Fuel Attestation/Yearly Fuel Attestation]

Dear Sir or Madam:

Pursuant to Section 3.25 of the PPA, Seller submits to SCE this Quarterly Fuel Attestation for the [Insert Quarter] of [Insert Year] (the “Quarter”). Seller hereby represents and warrants that:

1. This Quarterly Fuel Attestation [is] [is not] submitted on or prior to the Quarterly Fuel Attestation Due Date.

2. The fuel resource(s) Seller used or caused to be used to operate the Generating Facility during the Quarter (Fuel Use) [met] [did not meet] the Fuel Use Requirements.

3. The High Hazard Zone Fuel used during the Quarter was from [Insert name of high hazard zone from which the High Hazard Zone Fuel was procured.]

4. Fuel Use during the Quarter was as set forth in Attachment A. [SCE Comment: Seller should utilize the form of spreadsheet attached hereto as Attachment A]

Capitalized terms used but not otherwise defined in this letter have the meanings set forth in the PPA.

Very truly yours,
RAP ID #[Number], [Name of Seller]

[Insert Seller’s full legal name, form of entity and state of registration]

By: ______________________________
Name: ____________________________
Title: ____________________________
### Instructions:
1. Minimum HHZ Fuel Use percentages will be based on energy content of fuel (mmBtu).
2. For Heat Content of Other Fuel, use weighted average.
3. Form must be completed by authorized official of seller.
4. Submit this form to SCE Contract Manager within five (5) days after end of each calendar quarter.

<table>
<thead>
<tr>
<th>HHZ Fuel Zone</th>
<th>Fuel Delivered (Tons)</th>
<th>Heat Content (mmBTU/Ton)</th>
<th>High Hazard Zone Fuel Use Percentage</th>
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<td>Total Fuel</td>
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### Other Fuel(s):
[Itemize and define]
2015 PRO FORMA

RENEWABLE POWER PURCHASE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

[SELLER’S NAME]

(RAP ID #[Number])

[STANDARD CONTRACT TERMS AND CONDITIONS THAT MAY NOT BE MODIFIED PER THE CPUC D. 08-04-009, D.08-08-028, D.10-03-021 AND D.11-01-025 ARE SHOWN IN GREEN SHADED TEXT.]

TERMS THAT ARE BOXED AND SHADED IN LIGHT YELLOW ARE EITHER SCE COMMENTS OR GENERATING FACILITY-TYPE SPECIFIC COMMENTS THAT SHOULD BE REMOVED OR ACCEPTED, AS APPLICABLE.

The contents of this document are subject to restrictions on disclosure as set forth herein.
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SIGNATURES
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B. Generating Facility and Site Description.
C. Notice List.
D. Forecasting and Scheduling Requirements and Procedures.
E. Payments and Invoicing.
F. Product Replacement Damage Amount.
G. Seller’s Milestone Schedule and Material Permits.
H. Milestone Progress Reporting Form.
I. Time of Delivery Periods and Product Payment Allocation Factors.
K. Seller’s Estimate of Lost Output.
L. Form of Letter of Credit.
M. SCE Penalties and CAISO Sanctions.

{SCE Comment: For Intermittent only.}

CAISO Costs and CAISO Sanctions.

{SCE Comment: For Baseload only.}

N. Actual Availability Report.
O. Meteorological Station Specifications.

{SCE Comment: For Intermittent only.}
RENEWABLE POWER PURCHASE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

[SELLER’S NAME]

(RAP ID #[Number])

PREAMBLE

This Renewable Power Purchase Agreement, together with the exhibits and attachments (collectively, the “Agreement”) is made and effective as of the following date: [Date of Execution] (“Effective Date”).

This Agreement is entered into between:

(i) Southern California Edison Company (“SCE”), a California corporation, whose principal place of business is at 2244 Walnut Grove Avenue, Rosemead, California 91770, and

(ii) [Seller’s Name] (“Seller”), a [Seller’s jurisdiction of organization and type of organization], whose principal place of business is at [Seller’s place of business].

SCE and Seller are sometimes referred to herein individually as a “Party” and jointly as the “Parties.” Unless the context otherwise specifies or requires, capitalized terms in this Agreement have the meanings set forth in Exhibit A.

RECITALS

A. Seller is willing to [construct], own, and Operate a Generating Facility which qualifies, or will qualify, as an ERR, and to sell the Product to SCE pursuant to the terms and conditions set forth in this Agreement; and

B. SCE is willing to purchase the Product from Seller pursuant to the terms and conditions set forth in this Agreement.
ARTICLE ONE. SPECIAL CONDITIONS

1.01 Generating Facility.
   (a) Name: [Generating Facility Name].
   (b) Location of Site: [Generating Facility Address], as further described in Exhibit B.
   (c) Description: As set forth in Exhibit B.
   (d) Product: All electric energy produced by the Generating Facility throughout the Delivery Term, net of Station Use; all Green Attributes; all Capacity Attributes; and all Resource Adequacy Benefits; generated by, associated with or attributable to the Generating Facility throughout the Delivery Term.
   (e) Interconnection Point: [insert name or location].
      {SCE Comment: Placeholder for name of substation or method of identifying location of interconnection to Transmission Provider’s electric system. First point of interconnection must be with a California Balancing Authority (i.e., CAISO, Imperial Irrigation District, Turlock Irrigation District, Los Angeles Department of Water & Power (LADWP), or Balancing Authority of Northern California (formerly Sacramento Municipal Utility District).}
   (f) Delivery Point: At the point of interconnection with the CAISO-Controlled Grid, [insert name or location].
      {SCE Comment: Placeholder for identifying location on CAISO-Controlled Grid.}
   (g) ERR Type: [Generation Technology].
   (h) Contract Capacity: [Number] MW. {SCE Comment: This should equal the AC nameplate capacity.}

   The Contract Capacity may be reduced as set forth in Section 3.06(g).

   (i) Installed DC Rating: [Number] kW_{PDC}.
      The Installed DC Rating may be reduced as set forth in Section 3.06(g).
      {SCE Comment: For Solar Photovoltaic.}

   (j) Expected Annual Net Energy Production. {SCE Comment: For all technologies except Solar Photovoltaic.}

      The Expected Annual Net Energy Production for each Term Year will be the value calculated in accordance with the following formula:

      EXPECTED ANNUAL NET ENERGY PRODUCTION, in kWh = A \times B \times C

      Where:

      A = Contract Capacity in kW.
B = [Number] % capacity factor.

C = 8,760 hours per year.

Expected Annual Net Energy Production.  {SCE Comment: For Solar Photovoltaic.}

The Expected Annual Net Energy Production for each Term Year will be the value calculated in accordance with the following formula:

\[
\text{EXPECTED ANNUAL NET ENERGY PRODUCTION, in kWh} = A \times B \times C
\]

Where:

A = The Installed DC Rating, in kW_{PDC}. (As of the Effective Date and until SCE’s verification of Seller’s installation of the Generating Facility pursuant to Exhibit J, this rating is deemed to be [Number] kW_{PDC}).

B = [Annual Energy Yield Factor Number] kWh AC per kW_{PDC} per year.

C = Annual degradation factor (“Annual Degradation Factor”) in each Term Year as follows:

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<tr>
<th>Term Year</th>
<th>Annual Degradation Factor</th>
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<tbody>
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The contents of this document are subject to restrictions on disclosure as set forth herein.
1.02 Forecasted Commercial Operation Date.

The Forecasted Commercial Operation Date is [Date].

1.03 Commercial Operation Deadline.

(a) Subject to any extensions made pursuant to Sections 3.06(c) or 5.03, and further subject to Section 1.03(c), the Commercial Operation Date must be no later than [Date][the date that is twenty-four months after CPUC Approval] {SCE Comment: For Standard Contract Option} (“Commercial Operation Deadline”).

(b) Subject to Section 1.03(d), if Seller has not obtained Permit Approval on or before that date that is ninety (90) days before the Forecasted Commercial Operation Date, then, upon SCE’s receipt of Notice from Seller, which Notice must be provided at least sixty (60) days before the Forecasted Commercial Operation Date, the Commercial Operation Deadline shall be extended for an additional six (6) months; provided, however, such extension shall not be given if the failure to obtain Permit Approval was as a result of Seller’s failure to take all commercially reasonable actions to apply for and meet all of its requirements and deadlines to obtain such Permit Approval.

Subject to Section 1.03(d), if Seller has not obtained Permit Approval on or before that date that is twenty-four (24) months from the date of CPUC Approval, then, upon SCE’s receipt of Notice from Seller, which Notice must be provided at least sixty (60) days before the date that is twenty-four (24) months from the date of CPUC Approval, the Commercial Operation Deadline shall be extended six (6) months from the date that is twenty-four (24) months from the date of CPUC Approval; provided, however, such extension shall not be given if the failure to obtain Permit Approval was as a result of Seller’s failure to take all commercially reasonable actions to apply for and meet all of its requirements and deadlines to obtain such Permit Approval. {SCE Comment: For Standard Contract Option}
Article One – §1.04

Special Conditions

(c) Notwithstanding anything in this Agreement to the contrary, the Commercial Operation Deadline may not be later than [Date]. {SCE Drafting Note: The inserted date will be the date that corresponds with the Forecasted Commercial Operation Date plus an additional 365 days.}

(d) Upon request from SCE, Seller shall provide documentation demonstrating to SCE’s reasonable satisfaction that the delays described in Section 1.03(b), did not result from Seller’s action or failure to take action as described in Section 1.03(b).

1.04 Term.

The Term commences on the Commercial Operation Date determined in accordance with Section 2.02 and ends on the last day of the calendar month that is [number of months in Term (#)] months [number of years in Term (#)] years from the month of the Commercial Operation Date (the “Term”).

1.05 Product Price.

(a) Subject to Sections 1.05(b) and 1.05(c)(i), the Product Price is [Dollar amount text] dollars ($[Number]) per MWh, [escalated at [Number text] percent ([Number] %) per Term Year] {if applicable}.

(b) Federal Tax Incentives.

If, prior to the commencement of the Term, Federal Investment Tax Credit Legislation is enacted which is applicable to the Generating Facility, Seller shall provide a Notice to SCE of the effective date of such legislation and the Product Price shall be reduced by $____ per MWh for each percentage point that the level of the investment tax credit is over 10%.

{SCE Comment: Applicable to solar and geothermal projects. Seller should propose the price reduction amount.}

If, prior to the commencement of the Term, Federal Production Tax Credit Legislation is enacted which is applicable to the Generating Facility, Seller shall provide a Notice to SCE of the effective date of such legislation and the Product Price shall be reduced by $.50 per MWh for each dollar ($1.00) that the production tax credit is over $23/MWh.

{SCE Comment: Applicable to all other renewable energy projects.}

(c) Excess Deliveries.

(i) If during any Settlement Interval Seller delivers Metered Amounts, expressed in MWh, in excess of the product of [Number] {SCE Comment: bracketed number should equal the lesser of the Contract Capacity and the maximum expected output at the Delivery Point, not to exceed the}
interconnection capacity, expressed in MW, multiplied by the length of such Settlement Interval, expressed in hours, then the Product Price applicable to all such excess MWh in such Settlement Interval shall be Zero dollars ($0) per MWh, and if there is a Negative LMP during such Settlement Interval, Seller shall pay to SCE an amount equal to the absolute value of the Negative LMP times such excess MWh (“Negative LMP Costs”).

(ii) If during any Term Year Seller delivers Metered Amounts, together with Curtailed Product, that are in the aggregate in excess of one hundred fifteen percent (115%) of the Expected Annual Net Energy Production for such Term Year and such Metered Amounts are not (1) subject to Section 1.05(c)(i) or (2) delivered in violation of Section 3.12(g), then Seller shall be responsible for and pay all CAISO Sanctions and CAISO Costs and Seller shall be entitled to all CAISO Revenues with respect to all such excess Metered Amounts in such Term Year.

1.06 Performance Assurance Amount.

Commencing with the Commercial Operation Date and for every Term Year during the Term, Seller shall post and maintain Performance Assurance in the amount of $[________].

[SCE Comment: Performance assurance will be calculated as five percent (5%) of the total project revenues over the full Term.]

1.07 Interconnection Queue Position.

[Number(s) to be inserted]

1.08 Compliance Expenditure Cap.

If Seller establishes to SCE’s reasonable satisfaction that a change in Applicable Laws occurring after the Effective Date has increased Seller’s cost above the cost that could reasonably have been contemplated as of the Effective Date to take all actions to comply with Seller’s obligations under the Agreement with respect to obtaining, maintaining, conveying or effectuating SCE’s use of (as applicable), the items listed in Sections 1.11(a) through (d), then Seller’s required out-of-pocket expenses are limited to [Dollar amount text] dollars ($[Number]) {SCE Comment: The amount shall be equal to one percent (1%) of the expected annual Project revenues, but not less than One Hundred Thousand dollars ($100,000)} in the aggregate each Term Year (“Compliance Expenditure Cap”) between the Effective Date and the last day of the Term:

(a) CEC Pre-Certification or CEC Certification and CEC Verification;
(b) Green Attributes;
(c) Capacity Attributes; and
(d) Resource Adequacy Benefits.

Any actions required for Seller to comply with its obligations set forth in the first paragraph above, the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the “Compliance Actions.”

If Seller reasonably anticipates the need to incur out-of-pocket expenses in excess of the Compliance Expenditure Cap in order to take any Compliance Action Seller shall provide Notice to SCE of such anticipated out-of-pocket expenses.

SCE will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (1) agree to reimburse Seller for all or some portion of the costs that exceed the Compliance Expenditure Cap (such SCE-agreed upon costs, the “Accepted Compliance Costs”), or (2) waive Seller’s obligation to take such Compliance Actions, or any part thereof for which SCE has not agreed to reimburse Seller.

If SCE agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and SCE shall reimburse Seller for Seller’s actual costs to effect the Compliance Actions, not to exceed the Accepted Compliance Costs.

*** End of ARTICLE ONE ***
ARTICLE TWO. TERM AND CONDITIONS PRECEDENT; TERMINATION

2.01 Obligations Prior to Commencement of the Term.

(a) CPUC Filing and Approval of this Agreement.

Within ninety (90) days after the Effective Date, SCE shall file with the CPUC the appropriate request for CPUC Approval. SCE shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. As requested by SCE, Seller shall use commercially reasonable efforts to support SCE in obtaining CPUC Approval. SCE has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

(b) Seller’s Interconnection Queue Position.

Seller must not (i) withdraw the Interconnection Queue Position identified in Section 1.07, (ii) assign or transfer that Interconnection Queue Position to any entity, or (iii) utilize the Interconnection Queue Position for the benefit of any power purchase and sale agreement other than the Agreement, in each case, without SCE’s prior written consent.

(c) Seller’s Regulatory and Governmental Filings.

(i) Within one hundred eighty (180) days after the Effective Date, Seller shall file an application or other appropriate request for CEC Pre-Certification for the Generating Facility.

(ii) On or before [Date], Seller shall file all applications or other appropriate requests with the proper authorities for all Material Permits, and shall promptly respond to any requests for information from the requesting authority.

2.02 Conditions Precedent to Commencement of Term.

(a) Commencement of Term.

The Term commences upon the Commercial Operation Date.

(b) Commercial Operation.

(i) Subject to the remainder of this subsection 2.02(b), the Commercial Operation Date shall be a date selected by Seller upon at least three (3) Business Days Notice to SCE; provided, the Commercial Operation Date may not be earlier than [Date].

(ii) The Commercial Operation Date may not occur until each of the following has been satisfied:

(1) Seller has completed the installation and testing of the Generating Facility for purposes of financing, Permits, the interconnection
agreement, operating agreements, the EPC agreement and manufacturer’s warranties;

2. Seller has received an independent engineer’s certification that the Generating Facility has been completed in all material respects (except punch list items that do not materially and adversely affect the ability of the Generating Facility to operate as intended);

3. Seller has met all conditions set forth in Section 3.12(c);

4. Seller has posted with SCE the Performance Assurance required under Section 8.02 calculated in accordance with Section 1.06;

5. Seller has paid to SCE the full amount of the Excess Network Upgrade Costs, if applicable; and

6. Seller has taken all steps necessary to allow SCE to be designated as the Account Holder in accordance with Section 3.01(d)(iv).

2.03 Termination Rights.

(a) Termination Rights of Both Parties.

(i) If either Party exercises a termination right, as set forth in Sections 2.03(a)(ii), 2.03(b) or 5.04, a Termination Payment will be calculated in accordance with Section 6.03, the Forward Settlement Amount will be Zero dollars ($0), the terminating Party will be considered the Non-Defaulting Party and, if the termination occurs before the commencement of the Term, Seller will be entitled to a return of any Development Security provided to SCE.

(ii) Either Party has the right to terminate this Agreement on Notice, which will be effective five (5) Business Days after such Notice is given, if CPUC Approval has not been obtained or waived by SCE in its sole discretion within three hundred sixty-five (365) days after SCE files its request for CPUC Approval and a Notice of termination is given on or before the three hundred ninety-fifth (395th) day after SCE files the request for CPUC Approval.

(b) Termination Rights of SCE.

SCE has the right to terminate this Agreement on Notice, which will be effective five (5) Business Days after such Notice is given to Seller, on or before the date that is sixty (60) days after Seller provides to SCE the results of any Interconnection Study or the interconnection agreement tendered to Seller by the Transmission Provider if:

(i) Such Interconnection Study or agreement as of the date of the termination Notice, estimates, includes, specifies or reflects that the maximum total cost of transmission upgrades or new transmission facilities to SCE, or any
Transmission Provider under the jurisdiction of the CAISO, including costs reimbursed by SCE, or any Transmission Provider under the jurisdiction of the CAISO, to Seller (“Aggregate Network Upgrade Costs”), may in the aggregate exceed [dollar amount text] dollars ($[Number]) (“Network Upgrades Cap”), irrespective of any subsequent amendments of any such Interconnection Study or agreement or any contingencies or assumptions upon which such Interconnection Study or agreement is based; or

\{SCE Comment: Monetary threshold to be based upon transmission-related costs allocated to the Generating Facility that SCE would incur as estimated in the most recent Interconnection Study.\}

(ii) SCE must procure transmission service from any other Transmission Provider to allow SCE to Schedule electric energy from the Generating Facility and the cost for such transmission service is not reimbursed or paid by Seller.

Notwithstanding anything to the contrary in this Section 2.03(b), SCE shall have no right to terminate this Agreement under this Section 2.03(b), if Seller, concurrently with its provision of the relevant Interconnection Study or agreement pursuant to Section 3.17(a), irrevocably agrees that Seller shall owe to SCE (I) the amount by which the Aggregate Network Upgrade Costs exceed the Network Upgrades Cap (“Excess Network Upgrade Costs”), and (II) any costs for transmission services specified in Section 2.03(b)(ii). If Seller elects to pay, without reimbursement, for the Excess Network Upgrade Costs pursuant to this Section 2.03(b), in no event shall Seller have any interest in or rights or title to any Network Upgrades (as defined in the CAISO Tariff) or Congestion Revenue Rights (as defined in the CAISO Tariff) in connection with the development of the Generating Facility or the delivery of Product to SCE pursuant to this Agreement.

(c) Uncured Defaults.

Upon the occurrence of an Event of Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 6.02.

(d) End of Term.

This Agreement automatically terminates at the end of the Term as set forth in Section 1.04 unless earlier terminated as provided in this Agreement.

2.04 Rights and Obligations Surviving Termination.

(a) Survival of Rights and Obligations Generally.

The rights and obligations that are intended to survive a termination of this Agreement are all of those rights and obligations that this Agreement expressly provides survive any such termination and those that arise from Seller’s or SCE’s
covenants, agreements, representations, and warranties applicable to, or to be performed, at or during any time before or as a result of the termination of this Agreement, including:

(i) The obligation of Seller to pay the Product Replacement Damage Amount as set forth in Section 3.07(b);

(ii) The obligation to make, or the right to receive, a Termination Payment as set forth in Section 6.03;

(iii) The indemnity obligations as set forth in Section 10.03;

(iv) The obligation of confidentiality as set forth in Section 10.10;

(v) The right to pursue remedies as set forth in Sections 6.02 and 12.04;

(vi) The limitation of liabilities as set forth in Article Seven;

(vii) A Party’s obligation:

   (1) To make or receive payment, as applicable, for CAISO Revenues and make payment for CAISO Costs, CAISO Sanctions, and SCE Penalties, as applicable, as set forth in Article Four, Exhibits E and N; and

   (2) To make or receive Product Payments as set forth in Exhibit E;

(viii) The covenants and indemnifications regarding the limitations on Seller’s and Seller’s Affiliates’ ability to offer, make or agree to third-party sales as set forth in Sections 2.04(b) and 3.06(h), if applicable;

(ix) The obligation of Seller to pay to SCE the Development Security if SCE terminates this Agreement in accordance with Section 6.02 prior to Commercial Operation;

(x) The obligation of Seller to post Performance Assurance as set forth in Section 8.02;

(xi) The dispute resolution provisions of Article Twelve;

(xii) The obligation of SCE to return any Development Security under Section 3.06 and Performance Assurance under Section 8.02, as applicable;

(xiii) Seller’s obligations under Section 3.01(d)(iv); and

(xiv) The obligation of Seller to transfer Green Attributes associated with Product, in accordance with Section 3.01(b), for which SCE has paid the Product Price.

(b) Limitations on Seller’s and Seller’s Affiliates’ Ability to Make or Agree to Third-Party Sales from the Site after Certain Terminations of this Agreement.
If Seller terminates this Agreement, as provided in Sections 2.03(a)(ii) or 5.04 (based on a Force Majeure as to which Seller is the Claiming Party), or if SCE terminates this Agreement as provided in Section 3.06(d), or due to an Event of Default of Seller prior to the Commercial Operation Deadline, neither Seller nor Seller’s Affiliates may sell, or enter into a contract to sell, electric energy, Green Attributes, Capacity Attributes, or Resource Adequacy Benefits, generated by, associated with or attributable to a generating facility installed at the Site to a party other than SCE for a period of two (2) years following the effective date of such termination (the “Restricted Period”).

This prohibition on contracting and sale will not apply if, before entering into such contract or making a sale to a party other than SCE, Seller or Seller’s Affiliate provides SCE with a written offer to sell the electric energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to SCE at the Product Price and on other terms and conditions materially similar to the terms and conditions contained in this Agreement and SCE fails to accept such offer within forty-five (45) days after SCE’s receipt thereof.

Neither Seller nor Seller’s Affiliates may sell or transfer the Generating Facility, or any part thereof, or land rights or interests in the Site (including the Interconnection Queue Position) during the Restricted Period so long as the limitations contained in this Section 2.04(b) apply, unless the transferee agrees to be bound by the terms set forth in this Section 2.04(b) pursuant to a written agreement approved by SCE. Upon termination of this Agreement pursuant to the Sections referenced in the first paragraph of this Section 2.04(b), Seller shall deliver a notice of SCE’s rights in respect of the Site, in a form reasonably acceptable to SCE, that SCE may record giving notice of SCE’s rights under this Section 2.04(b).

Seller shall indemnify and hold SCE harmless from all benefits lost and other damages sustained by SCE as a result of any breach of the covenants contained within this Section 2.04(b).

*** End of ARTICLE TWO ***
ARTICLE THREE. SELLER’S OBLIGATIONS

3.01 Conveyance of Entire Output, Conveyance of Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

(a) Metered Amounts. Seller shall dedicate and convey the entire Metered Amounts throughout the Delivery Term to SCE. Seller shall convey title to and risk of loss of all Metered Amounts to SCE at the Delivery Point.

(b) Green Attributes. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to SCE as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to SCE as included in the delivery of the Product from the Project.

(c) Capacity Attributes and Resource Adequacy Benefits. Subject to Section 1.08, Seller shall dedicate and convey any and all Capacity Attributes and Resource Adequacy Benefits generated by, associated with or attributable to the Generating Facility throughout the Delivery Term to SCE and SCE shall be given sole title to all such Capacity Attributes and Resource Adequacy Benefits in order for SCE to meet its resource adequacy obligations under any Resource Adequacy Rulings. Seller represents, warrants and covenants to SCE that:

(i) As of the Effective Date, Seller has not used, granted, pledged, assigned or otherwise committed any portion of the generating capacity of the Generating Facility to meet the Resource Adequacy Requirements of, or to confer Resource Adequacy Benefits on, any entity other than SCE during the Delivery Term; and

(ii) Throughout the Delivery Term, Seller will not use, grant, pledge, assign or otherwise commit any portion of the generating capacity of the Generating Facility to meet the Resource Adequacy Requirements of, or to confer Resource Adequacy Benefits on, any entity other than SCE.

(d) Further Action by Seller. Subject to Section 1.08, commencing at least six (6) months before the Commercial Operation Date and throughout the Delivery Term, Seller shall, at its own cost, take all actions and execute all documents or instruments necessary to effectuate the use of the Green Attributes, Capacity Attributes and Resource Adequacy Benefits for SCE’s sole benefit throughout the Delivery Term, which actions include:

(i) Cooperating with and encouraging the regional entity responsible for resource adequacy administration to certify or qualify the Contract Capacity for resource adequacy purposes;
Testing the Generating Facility in order to certify the Generating Facility for resource adequacy purposes;

Complying with all current and future CAISO Tariff provisions that address resource adequacy and are applicable to the Generating Facility, including provisions regarding performance obligations and penalties, if applicable;

Complying with Applicable Laws regarding the certification and transfer of Renewable Energy Credits, including participation in the Western Renewable Energy Generation Information System (“WREGIS”) or other process recognized under Applicable Laws for the registration, transfer or ownership of Green Attributes associated with the Generating Facility.

With respect to WREGIS, Seller shall cause and allow SCE to be the “Qualified Reporting Entity” and “Account Holder” (as these two terms are defined by WREGIS) for the Generating Facility.

If Seller has sold Product (or product that would be considered “Product” under this Agreement if it were attributable to the Delivery Term) to any party other than SCE with respect to a period that is prior to the Commercial Operation Date, Seller shall, or shall cause such party to: (i) take all actions necessary for SCE to be the Account Holder as of the Commercial Operation Date, and (ii) take all actions necessary for SCE to be the Qualified Reporting Entity prior to the generation of any WREGIS Certificates associated with deliveries of Product on and after the Commercial Operation Date. SCE agrees to transfer all WREGIS Certificates associated with generation from the Generating Facility prior to the Commercial Operation Date to Seller or Seller’s designee. Seller agrees to indemnify, defend and hold harmless SCE from and against any and all loss, liability, damage, claim, cost or expense of any kind or nature (including any direct, damage, claim, cost, charge, demand, or expense, and attorneys’ fee (including the cost of in-house counsel)) and other costs of litigation, arbitration and mediation, arising out of or in connection with SCE’s transfer to Seller or Seller’s designee of WREGIS Certificates associated with renewable power generated by the Generating Facility prior to the Commercial Operation Date; {SCE Comment: Language only applicable to projects that do not use shared transformers.}

Complying with Applicable Laws regarding the certification and transfer of Renewable Energy Credits, including participation in the Western Renewable Energy Generation Information System (“WREGIS”) or other process recognized under Applicable Laws for the registration, transfer or ownership of Green Attributes associated with the Generating Facility. Seller, at its own cost (which cost shall not be subject to the Compliance
Expenditure Cap), shall serve as, or shall engage CAISO or some other mutually agreed entity, to serve as the “Qualified Reporting Entity” (as such term is defined by WREGIS) for the Generating Facility. Seller shall act as the “Account Holder” (as such term is defined by WREGIS) for the Generating Facility and shall effectuate the transfer to SCE of all WREGIS Certificates associated with or attributable to the Metered Amounts within five (5) Business Days of Seller’s receipt of, or creation in Seller’s WREGIS account of, such WREGIS Certificates; {SCE Comment: Language only applicable to projects that utilize shared transformers.}

(v) Committing to SCE the entire Metered Amounts of the Generating Facility; and

(vi) Pursuing and obtaining any and all Capacity Attributes and Resource Adequacy Benefits to the extent that Applicable Laws, including as may be changed after the Effective Date, allow for any Capacity Attributes or Resource Adequacy Benefits to be obtained other than by the completion of Delivery Network Upgrades.

**(e) Bioenergy Benefits.** For all electric generation using biomethane as fuel, Seller shall transfer to SCE sufficient renewable and environmental attributes of biomethane production and capture to ensure that there are zero (0) net emissions associated with the production of electricity from the Generating Facility using the biomethane.

For all electric generation using biomethane as fuel, neither SCE nor Seller may make a marketing, regulatory, or retail claim that asserts that a procurement contract to which that entity was a party resulted, or will result, in greenhouse gas reductions related to the destruction of methane if the capture and destruction is required by law. If the capture and destruction of the biomethane is not required by law, neither SCE nor Seller may make a marketing, regulatory, or retail claim that asserts that a procurement contract to which that entity was a party resulted, or will result, in greenhouse gas reductions related to the destruction of methane, unless the environmental attributes associated with the capture and destruction of the biomethane pursuant to that contract are transferred to SCE and retired on behalf of the retail customers consuming the electricity associated with the use of that biomethane, or unless Seller’s procurement contract with the source of biomethane prohibits the source of biomethane from separately marketing the environmental attributes associated with the capture and destruction of the biomethane sold pursuant to that contract, and such attributes have been retired. {SCE Comment: Biomethane projects only.}

3.02 Resource Adequacy Performance Obligation.
Commencing on the [later of] the Commercial Operation Date [and the Date bid as the RA Guarantee Date], and throughout the [remainder of the] {if Seller’s offer included delivering Resource Adequacy Benefits commencing on a date later than the Forecasted Commercial Operation Date} Term, in each month, Seller shall pay to SCE an amount (the “RA Deficit Payments”) equal to the product of (a) the difference, expressed in kW, of (i) the Qualifying Capacity of the Generating Facility for the applicable month, minus (ii) the Net Qualifying Capacity of the Generating Facility for the applicable month, multiplied by (b) the then-current CPM Capacity price as listed in Section 43.7.1 of the CAISO Tariff or its equivalent successor (the “Multiplier”), expressed in $/kW-month. Should the CPM Capacity price cease to be published by the CAISO and no equivalent successor is published, the Multiplier shall be equal to the last CPM Capacity price listed in the CAISO Tariff and escalated by two percent (2%) every twelve (12) months thereafter. In any event, the Multiplier may not exceed $120/kW-year. 

[SCE Comment: Only Generating Facilities providing guaranteed delivery of Resource Adequacy Benefits.]

3.03 Other Sales of Product.

Throughout the Delivery Term, Seller shall not sell the Product (or any portion thereof) to any entity other than SCE.

3.04 Allocation of Availability Incentive Payments and Non-Availability Charges.

If the Generating Facility is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the CAISO Tariff, any Availability Incentive Payments will be for the benefit of Seller and for Seller’s account and any Non-Availability Charges will be the responsibility of Seller and for Seller’s account.

3.05 Permits, Interconnection and Transmission Service Agreements, and CAISO Tariff Compliance.

(a) Seller shall obtain and maintain throughout the Delivery Term any and all interconnection and transmission service rights and Permits required to effect delivery of the electric energy from the Generating Facility to the Delivery Point.

(b) Seller shall be responsible for all costs and charges directly caused by, associated with, or allocated to the interconnection of the Generating Facility to the Transmission Provider’s electric system and transmission of electric energy from the Generating Facility to the Transmission Provider’s electric system.

(c) Seller shall comply with the CAISO Tariff, including securing and maintaining in full force all required CAISO agreements, certifications and approvals.

(d) Seller shall secure through the CAISO the CAISO Resource ID that is to be used solely for the Generating Facility.

(e) Seller shall comply with the requirements of Appendix H to Appendix CC of the CAISO Tariff.
Article Three – §3.05

Term and Conditions Precedent; Termination

(SCE Comment: Language applicable to projects that do not utilize Shared Facilities.)

(a) Seller shall obtain and maintain throughout the Delivery Term any and all interconnection and transmission service rights and Permits required to effect delivery of the electric energy from the Generating Facility to the Delivery Point. The interconnection agreement shall provide for interconnection capacity available or allocable to the Generating Facility that is no less than the Contract Capacity. The Parties acknowledge that ownership and use of the Shared Facilities (including the interconnection agreement itself) may be subject to a co-tenancy or similar sharing agreement (collectively, “Shared Facilities Agreement(s)”), under which Shared Facilities Agreements an Affiliate of Seller may act as a manager on behalf of Seller and the Other Seller(s) under the interconnection agreement (“Affiliate Manager”). Seller shall ensure that, during the Startup Period and throughout the Term, Seller shall have sufficient interconnection capacity and rights under or through the interconnection agreement and the Shared Facilities Agreements, if any, to interconnect the Generating Facility with the CAISO-Controlled Grid and fulfill its obligations under this Agreement. In connection with the interconnection agreement and the Shared Facilities Agreements, if any, the following shall apply:

(i) The Shared Facilities Agreements shall provide that:

(1) the Other Seller(s), the Affiliate Manager and the Interconnection Affiliate (if different from the Seller or Other Seller(s)) shall fully indemnify Seller for any liability arising out of its respective acts or omissions in regards to its respective performance obligations under the interconnection agreement and any Shared Facilities Agreement in which such party is a counterparty with Seller,

(2) Seller shall have the right to correct, remedy, mitigate, or otherwise cure any omission, failure, breach or default by Other Seller, Affiliate Manager, or Interconnection Affiliate (if different from the Seller or Other Seller(s)) that would negatively impact Seller’s obligations under this Agreement, under the interconnection agreement, or under any Shared Facilities Agreement in which Seller is a counterparty, and

(3) any instruction from the CAISO or Transmission Provider to curtail energy deliveries shall be allocated between the Generating Facility and the Other Generating Facility(ies) on a pro rata basis based upon installed capacity, except when such pro rata allocation would be in violation of the applicable curtailment instruction.
(ii) Seller shall, or shall cause the Interconnection Affiliate (if different from Seller) to, apply for and expeditiously seek FERC’s acceptance of any Shared Facilities Agreement(s), if required.

(iii) Seller shall not assign or transfer Seller’s rights or obligations under the interconnection agreement or any Shared Facilities Agreement to any Person without the prior written consent of SCE, which consent shall not be unreasonably withheld.

(b) As between SCE and Seller under this Agreement, Seller shall be responsible for all costs and charges directly caused by, associated with, or allocated to Seller, the Interconnection Affiliate, the Affiiliate Manager, or the Other Seller(s) under the interconnection agreement, the Shared Facilities Agreement, if any, and the CAISO Tariff, in connection with the interconnection of the Generating Facility to the Transmission Provider’s electric system and transmission of electric energy from the Generating Facility to the Transmission Provider’s electric system.

(c) Seller shall, or shall cause the Interconnection Affiliate, as applicable, to comply with the CAISO Tariff, including securing and maintaining in full force and effect all required CAISO agreements, certifications and approvals. [Notwithstanding any other provision in this Agreement, any out-of-pocket expense that would otherwise be applied to the Compliance Expenditure Cap shall not be applied to such cap in order for Seller, or the Interconnection Affiliate, to comply with the CAISO Tariff.] [SCE Comment: Language only applicable to projects that utilize shared transformers.]

(d) Seller shall, or shall cause the Interconnection Affiliate, as applicable, to secure through the CAISO the CAISO Resource ID that is to be used solely for this Generating Facility.

(e) Seller shall, or shall cause the Interconnection Affiliate, as applicable, to comply with the requirements of Appendix H to Appendix CC of the CAISO Tariff, or its equivalent successor.

{SCE Comment: Language applicable to projects that utilize Shared Facilities.}

3.06 Development Security.

(a) Amount.

Seller shall post and thereafter maintain development security (“Development Security”) equal to [Ninety dollars ($90)] [SCE Comment: For Baseload] [Sixty dollars ($60)] [SCE Comment: For Intermittent] for each kilowatt of [Installed DC Rating] [SCE Comment: For Solar Photovoltaic] [Contract Capacity] [SCE Comment: For all technologies except Solar Photovoltaic].

(b) Posting Requirements.

The contents of this document are subject to restrictions on disclosure as set forth herein.
Seller shall post the Development Security upon the Effective Date.

(i) The Development Security shall be held by SCE as security for Seller achieving Commercial Operation on or before the Commercial Operation Deadline and demonstrating the [Installed DC Rating] [SCE Comment: For Solar Photovoltaic] [Contract Capacity] [SCE Comment: For all technologies except Solar Photovoltaic] in accordance with the terms of this Agreement.

(ii) The Development Security must be in the form of either a cash deposit or a Letter of Credit;

(iii) If Seller posts any Development Security in cash, Seller will receive Simple Interest Payments in accordance with the procedure specified in Section 4.06 of this Agreement; and

(iv) If Seller provides the Development Security by means of a Letter of Credit, such Letter of Credit must be provided substantially in the form of Exhibit L.

(c) **Daily Delay Liquidated Damages to Extend Commercial Operation Deadline.**

Seller may extend the Commercial Operation Deadline by paying to SCE damages in an amount equal to one percent (1%) of the Development Security per day for each day (or portion thereof) from and including the Commercial Operation Deadline to and excluding the Commercial Operation Date (“Daily Delay Liquidated Damages”).

To extend the Commercial Operation Deadline, Seller must, at the earliest possible time, but no later than 6 a.m. on the first day of the proposed Commercial Operation Deadline extension, provide SCE with Notice of its election to extend the Commercial Operation Deadline along with Seller’s estimate of the duration of the extension and its payment of Daily Delay Liquidated Damages for the full estimated Commercial Operation Deadline extension period.

Seller may further extend the Commercial Operation Deadline beyond the original Commercial Operation Deadline extension period subject to the same terms applicable to the original Commercial Operation Deadline extension.

The Daily Delay Liquidated Damages payments applicable to days included in any Commercial Operation Deadline extension are nonrefundable and are in addition to, and not a part of, the Development Security.

Seller will be entitled to a refund (without interest) of any estimated Daily Delay Liquidated Damages payments paid by Seller which exceed the amount required to cover the number of days by which the Commercial Operation Deadline was actually extended.
In no event may Seller extend the Commercial Operation Deadline for more than a total of one hundred eighty (180) days by the payment of Daily Delay Liquidated Damages.

(d) Failure to Meet the Commercial Operation Deadline.

Subject to Seller’s right to extend the Commercial Operation Deadline as provided in Section 1.03, Section 3.06(c), and Section 5.03 (for Force Majeure where Seller is the Claiming Party), in the event that (i) Seller and SCE mutually agree that Commercial Operation will not occur on or before the Commercial Operation Deadline; (ii) the Commercial Operation Date will not occur due to any termination of this Agreement as a result of an Event of Default by Seller occurring on or before the Commercial Operation Deadline; (iii) the procurement of [the applicable electrical generating equipment] for the Generating Facility does not occur within ninety (90) days after the applicable date set forth in the Milestone Schedule; (iv) close of construction financing for the Generating Facility is not completed within one hundred twenty (120) days after the applicable date set forth in the Milestone Schedule; or (v) Seller abandons the Generating Facility prior to the Commercial Operation Date occurring, SCE shall be entitled to:

(A) The entire Development Security, including the right to draw on and retain for its sole benefit any Letter of Credit and the proceeds thereof, as well as any cash, posted as Development Security; and

(B) Terminate this Agreement;

provided, SCE shall give Notice to Seller of any determination under Sections 3.06(d)(iii) through (v) that the Commercial Operation Date is unlikely to occur on or before the Commercial Operation Deadline, and if within thirty (30) days from the date of such Notice Seller can establish to SCE’s reasonable satisfaction that the Commercial Operation Date is likely to occur on or before the Commercial Operation Deadline, SCE may not terminate the Agreement prior to the Commercial Operation Deadline or retain the Development Security at that time, but shall retain all other rights under this Agreement, including the right to terminate the Agreement and retain the entire Development Security if the Commercial Operation Date does not occur on or before the Commercial Operation Deadline in accordance with clause (ii) of the first paragraph of this Section 3.06(d).

If SCE terminates this Agreement pursuant to this Section 3.06(d), any amount of Development Security that Seller has not yet posted with SCE will be immediately due and payable by Seller to SCE.

In addition, subject to Section 2.04(b), if SCE terminates this Agreement pursuant to this Section 3.06(d), neither Party shall have liability for damages for failure to deliver or purchase Product after the effective date of such termination, and the Forward Settlement Amount will be Zero dollars ($0).
(e) **Full Return of Development Security.**

The Development Security will be returned to Seller in accordance with the procedure set forth in Exhibit J in each of the following circumstances:

(i) Subject to the Commercial Operation Date occurring on or before the Commercial Operation Deadline or any extended Commercial Operation Deadline as provided in this Agreement, if Seller demonstrates the full [Installed DC Rating specified in Section 1.01(i)] {SCE Comment: For Solar Photovoltaic} [Contract Capacity specified in Section 1.01(h)] {SCE Comment: For all technologies except Solar Photovoltaic} in accordance with the procedure set forth in Exhibit J; or

(ii) If this Agreement is terminated in accordance with Section 2.03(a)(ii) or 5.04; *provided*, a termination under Section 5.04 only entitles Seller to a return of the Development Security if the termination is based on a Force Majeure that prevents the Commercial Operation Date from occurring on or before the Commercial Operation Deadline or prevents Seller from demonstrating full Contract Capacity in accordance with Exhibit J.

(f) **Partial Return of the Development Security.**

(i) If Commercial Operation occurs on or before the Commercial Operation Deadline, but the [Demonstrated Installed DC Rating is less than the Installed DC Rating set forth in Section 1.01(i)] {SCE Comment: For Solar Photovoltaic} [Demonstrated Contract Capacity is less than the Contract Capacity set forth in Section 1.01(h)] {SCE Comment: For all technologies except Solar Photovoltaic}, then Seller will be entitled to a return of only a portion of the Development Security equal to the product of [Ninety dollars ($90)] {SCE Comment: For Baseload} [Sixty dollars ($60)] {SCE Comment: For Intermittent} per kilowatt times the kilowatts of [Demonstrated Installed DC Rating] {SCE Comment: For Solar Photovoltaic} [Demonstrated Contract Capacity] {SCE Comment: For all technologies except Solar Photovoltaic}.

(g) **Modification of Special Conditions.**

(i) If the Contract Capacity set forth in Section 1.01(h) is greater than the Demonstrated Contract Capacity,

1. The Contract Capacity will be reduced to an amount equal to the Demonstrated Contract Capacity;

2. The Expected Annual Net Energy Production will be recalculated using such adjusted Contract Capacity; and

3. The Performance Assurance Amount for the Performance Assurance required to be posted and maintained pursuant to
(ii) If the Installed DC Rating set forth in Section 1.01(i) is greater than the Demonstrated Installed DC Rating,

(1) The Installed DC Rating will be reduced to an amount equal to the Demonstrated Installed DC Rating;

(2) The Expected Annual Net Energy Production will be recalculated using such adjusted Installed DC Rating; and

(3) The Performance Assurance Amount for the Performance Assurance required to be posted and maintained pursuant to Section 8.02 will be recalculated using such adjusted Installed DC Rating, and any amount of Performance Assurance in excess of that required for the adjusted Installed DC Rating will be returned to Seller.

[SCE Comment: For Solar Photovoltaic]

(iii) Neither Party will have any liability for failure to purchase or deliver Product associated with or attributable to capacity in excess of the [Demonstrated Installed DC Rating] [SCE Comment: For Solar Photovoltaic] or the Demonstrated Contract Capacity (“Unincluded Capacity”), subject to Section 3.06(h).

(h) Restrictions on Sales Related to Unincluded Capacity.

(i) Neither Seller nor Seller’s Affiliates may sell, or enter into an agreement to sell, electric energy, Green Attributes, Capacity Attributes or Resource Adequacy Benefits associated with or attributable to Unincluded Capacity from any generating facility installed at the Site to a party other than SCE for a period of two (2) years following SCE’s Notice to Seller of Seller’s partial forfeiture of the Development Security pursuant to Exhibit J.

(ii) With respect to Seller’s Affiliates, the prohibition on contracting and sale as set forth in Section 3.06(h)(i) will not apply if, before entering into the contract or making a sale to a party other than SCE, any Seller’s Affiliate wishing to enter into a contract or sale provides SCE with a written offer to sell the electric energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits related to Unincluded Capacity to SCE on terms and conditions materially similar to or no less favorable to SCE than the terms and conditions contained in this Agreement and SCE fails to accept such offer within forty-five (45) days after SCE’s receipt thereof;
provided, any Seller’s Affiliate wishing to enter into a contract or sale must:

(1) Build a new generating facility separate from the Generating Facility to produce such additional electric energy and associated attributes;

(2) Establish an entity other than Seller to act as the seller for such additional electric energy and associated attributes;

(3) Meter such additional generating capacity separately from the Generating Facility, to SCE’s reasonable satisfaction; and

(4) Separately interconnect such additional generating capacity to the Transmission Provider’s system, to SCE’s reasonable satisfaction.

If the preceding conditions are met, Seller’s Affiliates (but not Seller) will be free to sell such additional electric energy and associated attributes to third parties.

3.07 Seller’s Energy Delivery Obligation.

On the commencement of the first Term Year and for every Term Year thereafter, Seller is subject to the electric energy delivery requirements and damages for failure to perform as set forth in this Section 3.07.

(a) Performance Requirements.

(i) Seller’s Energy Delivery Obligation.

“Seller’s Energy Delivery Obligation” for the twenty-four (24) month period immediately preceding the end of each Term Year commencing at the end of the second Term Year (“Calculation Period”) is one hundred forty percent (140%) of the Expected Annual Net Energy Production.

{SCE Comment: Wind only.}

“Seller’s Energy Delivery Obligation” for the twenty-four (24) month period immediately preceding the end of each Term Year commencing at the end of the second Term Year (“Calculation Period”) is one hundred seventy percent (170%) of the average of the two (2) Expected Annual Net Energy Production amounts applicable to the Calculation Period.

{SCE Comment: All other intermittent technologies.}

“Seller’s Energy Delivery Obligation” for the twelve (12) month period immediately preceding the end of each Term Year commencing at the end of the first Term Year (“Calculation Period”) is ninety percent (90%) of the Expected Annual Net Energy Production.

{SCE Comment: Baseload technologies.}

(ii) Event of Deficient Energy Deliveries.
At the end of each Term Year commencing with the end of the second Term Year, if the sum of Qualified Amounts plus any Lost Output (calculated in accordance with Exhibit K) in the applicable Calculation Period does not equal or exceed Seller’s Energy Delivery Obligation, then an Event of Deficient Energy Deliveries will be deemed to have occurred.

{SCE Comment: Wind and Solar only.}

At the end of each Term Year if the sum of the Qualified Amounts plus any Lost Output (calculated in accordance with Exhibit K) during the Term Year does not equal or exceed Seller’s Energy Delivery Obligation, then an Event of Deficient Energy Deliveries will be deemed to have occurred.

{SCE Comment: All other technologies.}

(b) Product Replacement Damage Amount.

If an Event of Deficient Energy Deliveries occurs, as determined in accordance with Section 3.07(a)(ii) above, the Parties acknowledge that the damages sustained by SCE associated with an Event of Deficient Energy Deliveries would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive, and therefore agree that Seller shall pay SCE as liquidated damages an amount which is intended to compensate SCE for Seller’s failure to perform, irrespective of whether SCE actually purchased replacement Product by reason of Seller’s failure to perform (the “Product Replacement Damage Amount”).

(i) Within ninety (90) days after the end of the applicable Term Year, SCE shall calculate any Product Replacement Damage Amount as set forth in Exhibit F, and shall provide Notice to Seller of any Product Replacement Damage Amount owing, including a detailed explanation of, and rationale for, its calculation methodology, annotated work papers and source data.

(ii) Seller shall have thirty (30) days after receipt of SCE’s Notice to review SCE’s calculation and either pay the entire Product Replacement Damage Amount claimed by SCE or pay any undisputed portion and provide Notice to SCE of the portion Seller disputes along with a detailed explanation of, and rationale for, Seller’s calculation methodology, annotated work papers and source data.

(iii) The Parties shall negotiate in good faith to resolve any disputed portion of the Product Replacement Damage Amount and shall, as part of such good faith negotiations, promptly provide information or data relevant to the dispute as each Party may possess which is requested by the other Party.

(iv) If the Parties are unable to resolve a dispute regarding any Product Replacement Damage Amount within thirty (30) days after the sending of
a Notice of dispute by Seller, either Party may submit the dispute to mediation and arbitration as provided in Article Twelve.

(c) Continuing Obligations of Seller.

Notwithstanding any payment of a Product Replacement Damage Amount, all of Seller’s obligations under Section[s] 3.01 [and 3.02] continue to apply.

3.08 Metering, Communications, Telemetry and Meteorological Station(s).

(a) CAISO Approved Meter.

Seller shall, at its own cost, install, maintain and test all CAISO Approved Meters pursuant to the CAISO Tariff. *SCE Comment: Language applicable to projects that do not use a shared transformer.*

Seller shall, at its own cost, install, maintain and test all CAISO Approved Meters pursuant to the CAISO Tariff and the CAISO Exemption, so long as such CAISO Exemption is valid and in effect. Such CAISO Approved Meters, and any associated equipment, shall be installed and maintained in a manner that is sufficient to meter the Generating Facility separately from the Other Seller(s). *SCE Comment: Language only applicable to projects that utilize a shared transformers.*

(b) Check Meter.

Seller will permit SCE to furnish and install one Check Meter on the high voltage side of the step-up transformer, substation, or any other location at SCE’s sole discretion, associated with the Generating Facility in compliance with the applicable utility electric service requirements. Each Check Meter must be interconnected with SCE’s communication network to permit:

(i) Periodic, remote collection of revenue quality meter data; and
(ii) Back-up real time transmission of operating-quality meter data.

*SCE Comment: Language applicable to projects that do not use a shared transformer.*

Seller will permit SCE to furnish and install one or more Check Meters in compliance with the applicable utility electric service requirements and installed in a manner that is sufficient for SCE to meter the Generating Facility separately from the Other Seller(s). All costs associated with the procurement and installation of the Check Meter(s) shall be borne by Seller. Each Check Meter must be interconnected with SCE’s communication network to permit:

(i) Periodic, remote collection of revenue quality meter data; and
(ii) Back-up real time transmission of operating-quality meter data.
Article Three – §3.08

(c) SCE’s Access to Meters.

(i) Subject to Section 3.18, Seller hereby grants SCE reasonable access to all CAISO Approved Meters and Check Meters for meter readings and any purpose necessary to effectuate this Agreement.

(ii) Seller shall promptly provide SCE access to all meter data and data acquisition services both in real-time, and at later times, as SCE may reasonably request.

(iii) Prior to the Commercial Operation Date, Seller shall provide instructions to the CAISO granting authorizations or other documentation sufficient to provide SCE with access to the CAISO Approved Meter(s) and to Seller’s settlement data on OMAR.

(d) CAISO Approved Meter Maintenance.

(i) Seller shall test and calibrate the CAISO Approved Meter(s), as necessary, but in no event will the period between testing and calibration dates be greater than twelve (12) months.

(ii) Seller shall bear its own costs for any meter check or recertification of the CAISO Approved Meter(s).

(iii) Seller shall replace each CAISO Approved Meter battery at least once every thirty-six (36) months or such shorter period as may be recommended by the CAISO Approved Meter manufacturer.

Notwithstanding the foregoing, if a CAISO Approved Meter battery fails, Seller shall replace such battery within one (1) day after becoming aware of its failure.

(iv) Seller shall use certified test and calibration technicians to perform any work associated with the CAISO Approved Meter(s).

(v) Seller shall inform SCE of test and calibration dates, provide SCE with access to observe and witness such testing and calibration, and provide SCE certified results of tests and calibrations within thirty (30) days after completion.

(e) SCADA and Telemetry System.

All communication, metering, telemetry, and associated generation operation equipment will be centralized into the Generating Facility’s SCADA. Seller shall configure the SCADA so that SCE may access it via the GMS from the GOC. Seller shall link the systems via an approved SCE communication network, utilizing existing industry standard network protocol, as approved by SCE. The connection will be bidirectional in nature and used by the Parties to exchange all...

{SCE Comment: Language only applicable to projects that utilize a shared transformer.}
data points to and from the GOC. Seller shall be responsible for the costs of installing, configuring, maintaining and operating the SCADA and internal site links for the Generating Facility.

Seller shall be responsible for designing, furnishing, installing, operating, maintaining and testing a real time Telemetry System capable of interconnecting to the GMS, the CAISO Approved Meter(s) and the Generating Facility’s control system with the CAISO’s Energy Communication Network.

The Telemetry System shall be designed in accordance with the CAISO monitoring and communication requirements and must be capable of:

(i) Reporting data from each CAISO Approved Meter;
(ii) Providing the status of key control points from the Generating Facility’s control system;
(iii) Routing generating unit set points to the Generating Facility’s control system; and
(iv) Communicating availability of the Generating Facility pursuant to Section 3.08(g).

The Telemetry System must include a data processing gateway, internet connection, interconnecting cabling and all service agreements required for accessing the CAISO’s Energy Communications Network.

The above mentioned connections and data transfer must be included in the systems engineering tasks as a part of the construction of the Generating Facility, and must be fully functional before Commercial Operation.

(f) Meteorological Station(s) and Reporting Requirements.

Seller, at its own expense, shall install and maintain one (1) or more stand-alone meteorological stations at the Generating Facility in accordance with Exhibit O to monitor and report weather data to both the CAISO and the existing SCE weather station data collection system.

The station(s) must be installed at least sixty (60) days before Commercial Operation.

The station(s) must be equipped with the Meteorological Equipment, as may be modified by Seller at SCE’s direction from time to time to reflect the CAISO’s PIRP/EIRP protocol and the requirements of Exhibit K.

The station(s) must be designed to collect and record data in accordance with CAISO’s PIRP/EIRP protocols and the requirements of Exhibit K.

Data reports must be formatted in a manner consistent with the CAISO requirements published on the CAISO internet website.

The contents of this document are subject to restrictions on disclosure as set forth herein.
Telemetering equipment must be designed to function in accordance with CAISO’s PIRP/EIRP protocols.

The station(s) must be equipped to measure and record the minimum data required by the CAISO, in the manner specified by the CAISO.

Seller shall submit to SCE for review and approval, Seller’s technical specifications for the meteorological station(s) along with a site plan showing the location of the station(s), the location of all [Wind Turbines, the wind rose for the Site], [Solar Generating Units, Photovoltaic Modules, Current Inverters,] and other prominent features, as applicable.

{SCE Comment: Intermittent only.} Seller shall calibrate all first and second class thermopile pyranometers to the same nationally recognized standard and apply temperature correction to the measurement. Seller’s Telemetry System shall transmit the calibrated data to SCE. Such temperature correction shall be based upon a calibration of the actual instrument or to a generic temperature curve that is supported by data from a nationally recognized testing laboratory to be representative of the exact vintage and model of instruments to be used by the Seller. Furthermore, Seller shall calibrate all thermopile pyranometers, regardless of type, every Term Year and upon SCE’s reasonable request.

{SCE Comment: Solar photovoltaic only.}

(g) Real-Time Communication of Availability.

(i) Prior to the Commercial Operation Date, Seller shall install a telecommunication system and demonstrate to SCE’s reasonable satisfaction that the system interfaces with the Web Client and the GMS to provide SCE with Seller’s Real-Time Availability.

(ii) Seller shall maintain the telecommunications path, the hardware, and software to provide quality data to SCE throughout the Delivery Term.

(iii) Upon Notice from SCE, Seller shall repair or have corrected as soon as possible, but no later than five (5) days after receipt of such Notice any:

1. Inoperable telecommunications path;
2. Inoperable software; or
3. Faulty instrumentation.

(iv) Seller shall submit an Actual Availability Report pursuant to Section 3.22 for any month in which Seller’s telecommunications system was not available or did not provide quality data for longer than twenty-four (24) continuous hours.

3.09 Site Location and Control.
(a) This Agreement is Site specific as set forth in Section 1.01(b). Seller may change the location of the Site only upon SCE’s prior written consent, which consent is in SCE’s sole discretion.

(b) Seller shall have Site Control [and Shared Facilities Control] from the Effective Date and continuing throughout the Term. {SCE Comment: Bracketed language only applicable to projects that have Shared Facilities.}

(c) Seller shall provide SCE with prompt Notice of any change in the status of Seller’s Site Control [or Shared Facilities Control]. {SCE Comment: Bracketed language only applicable to projects that have Shared Facilities.}

3.10 Change in Structure, Ownership or Financing.

Seller shall provide Notice to SCE within five (5) Business Days after a change in the status of any of the following:

(a) Seller’s exact and complete name, form of organization, direct or indirect ownership and state of incorporation or organization, or address of Seller’s principal place of business; and

(b) Seller’s construction-period financing and Operating-period financing, including the sources of equity investments and debt financings.

No Notice provided pursuant to this Section 3.10 constitutes or substitutes for any consent required pursuant to Sections 10.04 or 10.05.

3.11 Design.

At no cost to SCE, Seller shall be responsible for:

(a) Designing and constructing the Generating Facility;

(b) Using commercially reasonable efforts to acquire all Permits;

(c) Providing to SCE, at least thirty (30) days before the anticipated Commercial Operation Date, the following Generating Facility information:

(i) Site plan drawings for the Generating Facility;

(ii) Electrical one-line diagrams;

(iii) Control and data-acquisition details and configuration documents;

(iv) Major electrical equipment specifications;

(v) General arrangement drawings;

(vi) Longitude and latitude of the centroid of the Site; {SCE Comment: Solar only}

Longitude and latitude of each generator; {SCE Comment: All other technologies}
(vii) Artist renderings of the Site, if any;
(viii) Aerial photographs of the Site, if any;
(ix) Site plan drawing of the geothermal well field;
(x) Process flow diagrams;
(xi) Piping and instrumentation diagrams;
(xii) Production well flow rates;
(xiii) Injection well flow rates and volumes;
(xiv) Wellhead pressures;
(xv) Geothermal fluid chemistry;
(xvi) Non-condensable gas composition;
(xvii) Current Inverter specification;
(xviii) Photovoltaic Module specification;
(xix) Solar energy collection grid diagrams;
(xx) Wind Turbine specification;
(xxi) Wind energy collection grid diagrams;
(xxii) Topographical maps showing the location of all Wind Turbines, and specifying the Wind Turbine model and Site-specific identification number; and
(xxiii) Map showing the location of the Meteorological Equipment, including specifying the longitude and latitude of such.
(xxiv) Copies of all Shared Facilities Agreements.

{SCE Comment: Include subsections above when applicable to the Generating Facility.}

(d) Providing SCE advance Notice at the earliest practicable time of any proposed material changes in the Generating Facility, but in no event less than thirty (30) days before the changes are to be made, which Notice must include the information set forth in Section 3.11(c), along with all specifications and drawings pertaining to any such changes and any changes to Exhibit B. SCE shall retain the right to review such proposed changes and accept or reject such changes in its sole discretion.

(e) Providing to SCE, prior to commencement of any construction activities on the Site, a report from an independent engineer (acceptable to both SCE and Seller) certifying that Seller has a written plan for the safe construction and Operation of the Generating Facility in accordance with Prudent Electrical Practices.
3.12 Operation and Record Keeping.

(a) Seller shall Operate the Generating Facility in accordance with Prudent Electrical Practices.

(b) Seller shall comply with Operating orders in compliance with the CAISO Tariff.

(c) On or prior to the Commercial Operation Date:

(i) SCE shall have obtained or waived CPUC Approval;

(ii) Seller shall obtain CEC Pre-Certification;

(iii) Seller shall take all steps necessary to ensure that SCE becomes authorized by the CAISO to Schedule the electric energy produced by the Generating Facility with the CAISO;

(iv) SCE shall have been authorized by the CAISO to Schedule the electric energy produced by the Generating Facility with the CAISO;

(v) Seller shall demonstrate to SCE’s reasonable satisfaction that Seller has executed all necessary Transmission Provider and CAISO agreements;

(vi) Seller shall provide to SCE the DLF used by the Transmission Provider in the administration of the transmission service agreement for the Generating Facility;

(vii) Seller shall be Forecasting to SCE in accordance with Exhibit D;

(viii) Seller shall commence delivering electric energy to SCE at the Delivery Point and the Generating Facility is operating in parallel with Seller’s Transmission Provider;

(ix) Seller shall have installed and placed in operation all equipment and systems required under Section 3.08; 

{SCE Comment: Intermittent only.}

(x) Seller shall have registered with the NERC as the Generating Facility’s Generator Owner and Generator Operator if Seller is required to be a registered entity pursuant to the NERC Reliability Standards; and

(xi) Seller shall have furnished to SCE all insurance documents required under Section 10.11.

(d) Seller shall keep a daily operations log for the Generating Facility that shall include the following information:

(i) Availability of the Generating Facility; 

{SCE Comment: All technologies except Solar Photovoltaic.}

Availability of the Inverter Block Units and associated Current Inverters; 

{SCE Comment: Solar Photovoltaic only.}
(ii) Circuit breaker trip operations;
(iii) Any significant events related to the Operation of the Generating Facility;
(iv) Real and reactive power and energy production;
(v) Changes in Operating status;
(vi) Protective apparatus operations;
(vii) Any unusual conditions found during inspections;
(viii) Electric energy production, fuel consumption and efficiency (if applicable); and
(ix) Status and settings of generator controls including automatic voltage regulator and power system stabilizer.

(e) Seller shall log changes in the generator output setting if it is “block-loaded” to a specific kW capacity.
{SCE Comment: Baseload only.}

Seller shall maintain complete records of the Generating Facility’s wind speeds and other pertinent meteorological conditions and operational status of each Wind Turbine.
{SCE Comment: Wind only.}

Seller shall maintain complete records of the Generating Facility’s direct normal insolation, other pertinent meteorological conditions and operational status of each Solar Generating Unit.
{SCE Comment: Solar Thermal only.}

Seller shall maintain complete records of the Generating Facility’s plane of array insolation, other pertinent meteorological conditions and operational status of each Inverter Block Unit.
{SCE Comment: Solar Photovoltaic only.}

Seller shall maintain complete records of the Generating Facility’s fuel consumption if a biomass or landfill generating facility, or geothermal fluid consumption if a geothermal generating facility.
{SCE Comment: Biomass and Geothermal only.}

(f) Seller shall keep a maintenance log for the Generating Facility that shall include information on maintenance (both breakdown and preventative) performed, outages, inspections, manufacturer recommended services and replacement, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices.

Seller shall maintain documentation of all procedures applicable to the testing and maintenance of the Generating Facility protective devices as necessary to comply with NERC Reliability Standards applicable to protection systems for large
electric generators, if Seller is required to be a registered entity pursuant to the NERC Reliability Standards.

Such information in Sections 3.12(d), 3.12(e) and 3.12(f) above shall be provided or made available to SCE within twenty (20) days after any Notice.

(g) Seller shall promptly curtail the production of the Generating Facility:

(i) Upon Notice from SCE that Seller has been instructed by the CAISO or Transmission Provider to curtail energy deliveries; provided, solely the action of the CAISO issuing a Schedule shall not by itself constitute an instruction by the CAISO to curtail energy deliveries pursuant to this Section 3.12(g)(i);

(ii) Upon Notice that Seller has been given a curtailment order or similar instruction in order to respond to an Emergency; or

(iii) If SCE issues a Curtailment Order.

(h) Information maintained pursuant to this Section 3.12 shall be kept by Seller throughout the Delivery Term and shall be provided or made available to SCE within twenty (20) days after any Notice.

(i) Seller must be interfaced with SCE’s Generation Management System and be responsive to 5-minute Dispatch Instruction and other applicable CAISO Tariff rules.

3.13 Obtaining Scheduling Coordinator Services.

Seller shall comply with all applicable CAISO Tariff procedures, protocol, rules and testing as necessary for SCE to submit Bids for the electric energy produced by the Generating Facility.

(a) Designating SCE as Scheduling Coordinator.

(i) At least thirty (30) days before the Commercial Operation Date, Seller shall take all actions and execute and deliver to SCE all documents necessary to authorize or designate SCE as the Scheduling Coordinator throughout the Delivery Term.

(ii) Throughout the Delivery Term, Seller shall not authorize or designate any other party to act as Scheduling Coordinator, nor shall Seller perform, for its own benefit, the duties of Scheduling Coordinator.

(iii) Seller is responsible for and shall pay SCE an amount equal to the costs (including the costs of SCE employees or agents) SCE incurs, as determined in SCE’s sole discretion, as a result of SCE being designated as the Generating Facility’s Scheduling Coordinator including the costs associated with the registration of the Generating Facility with the CAISO, and the installation, configuration, and testing of all equipment and software necessary for SCE to act as Scheduling Coordinator or to...
Article Three – §3.14

§3.14 Term and Conditions Precedent; Termination

(b) Replacement of SCE as Scheduling Coordinator.

At least forty-five (45) days before the end of the Term, or as soon as practicable before the date of any termination of this Agreement before the end of the Term, Seller shall take all actions necessary to terminate the designation of SCE as Seller’s Scheduling Coordinator as of hour ending 24:00 on the last day of the Term. These actions include the following:

(i) Seller shall submit to the CAISO a designation of a new Scheduling Coordinator for Seller to replace SCE;

(ii) Seller shall cause the newly designated Scheduling Coordinator to submit a letter to the CAISO accepting the designation; and

(iii) Seller shall inform SCE of the last date on which SCE will be Seller’s Scheduling Coordinator. SCE must consent to any date other than the last day of the Term, such consent not to be unreasonably withheld.

3.14 Forecasting.

Seller shall Forecast in accordance with the provisions of Exhibit D.

Seller shall use commercially reasonable efforts to Operate the Generating Facility so that the available capacity or electric energy from the Generating Facility conforms with Forecasts provided in accordance with Exhibit D.

3.15 Scheduled Outages.

(a) Commencing at least sixty (60) days before the Commercial Operation Date and throughout the Delivery Term, Seller shall, no later than January 1, April 1, July 1 and October 1 of each year, submit to SCE, using the Web Client, Seller’s schedule of proposed planned outages (“Outage Schedule”) for the subsequent twenty-four month period.

(b) Seller shall provide the following information for each proposed planned outage:

(i) Start date and time;

(ii) End date and time; and

(iii) Capacity online, in MW, during the planned outage.

(c) Within thirty (30) days after SCE’s receipt of an Outage Schedule, SCE shall notify Seller in writing of any reasonable request for changes to the Outage Schedule, and Seller shall, consistent with Prudent Electrical Practices, accommodate SCE’s requests regarding the timing of any planned outage.

(d) Seller shall cooperate with SCE to arrange and coordinate all Outage Schedules with the CAISO.

Schedule the Generating Facility (“SC Set-Up Fee”); provided, the SC Set-up Fee shall not exceed $20,000.
(e) If a condition occurs at the Generating Facility which causes Seller to revise its planned outages, Seller shall promptly provide Notice to SCE, using the Web Client, of such change (including an estimate of the length of such planned outage) as required in the CAISO Tariff after the condition causing the change becomes known to Seller.

(f) Seller shall promptly prepare and provide to SCE upon request, using the Web Client, all reports of actual or forecasted outages that SCE may reasonably require for the purpose of enabling SCE to comply with Section 761.3 of the California Public Utilities Code or any Applicable Law mandating the reporting by investor owned utilities of expected or experienced outages by electric energy generating facilities under contract to supply electric energy.

3.16 Progress Reporting Toward Meeting Milestone Schedule.

Seller shall use commercially reasonable efforts to meet the Milestone Schedule and avoid or minimize any delays in meeting this schedule. Seller shall provide a monthly written report of its progress toward meeting the Milestone Schedule using the procedures set forth in Exhibit H.

Seller shall include in such report a list of all letters, notices, applications, approvals, authorizations, filings, permits and licenses relating to any Transmission Provider, Governmental Authority or the CAISO and shall provide any such documents as may be reasonably requested on Notice from SCE.

In addition, Seller shall advise SCE as soon as reasonably practicable of any problems or issues of which Seller is aware which may materially impact Seller’s ability to meet the Milestone Schedule.

A report delivered pursuant to this Section 3.16 shall not constitute Notice for any purpose under this Agreement, including with respect to any fact, circumstance, request, issue, dispute or matter included in such report.

3.17 Provision of Information.

Seller shall promptly provide to SCE copies of:

(a) Within ten (10) Business Days of receipt thereof, copies of any Interconnection Study or the interconnection agreement tendered to Seller by the Transmission Provider and, concurrently with the provision of the first Interconnection Study or interconnection agreement tendered to Seller by the Transmission Provider that may give rise to a termination right of SCE under Section 2.03(b), Seller shall also provide SCE a Notice of Seller’s irrevocable election to exercise or not exercise its right to assume financial responsibility for any Excess Network Upgrade Costs pursuant to Section 2.03(b), with a failure to provide such an election deemed to be an election not to exercise such rights;
(b) All applications and approvals or disapprovals relating to CEC Pre-Certification, CEC Certification, CEC Verification, any Permit and PIRP/EIRP (in the event SCE requests Seller to apply to be in PIRP/EIRP);

(c) All final and revised copies of material reports, studies and analyses furnished by the CAISO or any Transmission Provider, and any correspondence related thereto, concerning the interconnection of the Generating Facility to the Transmission Provider’s electric system or the transmission of electric energy on the Transmission Provider’s electric system;

(d) All notifications of adjustments in the DLF used by the Transmission Provider in the administration of the transmission service agreement for the Generating Facility within thirty (30) days of receiving such notification from the Transmission Provider;

(e) A copy of the Final Wind Report, and any updates thereafter for the time period beginning on the Effective Date and ending on the last day of the first Term Year;

(f) Any reports, studies, or assessments of the Generating Facility prepared for Seller by an independent engineer; and

(g) All Generating Facility and metering information as may be requested by SCE, including the following, at least thirty (30) days before the Commercial Operation Date:

For each CAISO Approved Meter:

(i) Generating Station/Unit ID;

(ii) CAISO Resource ID;

(iii) CAISO Approved Meter Device ID;

(iv) Password;

(v) Data path (network (ECN) or modem);

(vi) If modem, phone number;

(vii) Copy of meter certification;

(viii) List of any CAISO metering exemptions (if any); and
(ix) Description of any compensation calculations such as transformer losses and line losses.

For the Generating Facility:

(1) Utility transmission/distribution one line diagram;
(2) Physical location, address or descriptive identification;
(3) Latitude and longitude of [the centroid and each corner of the Site] {SCE Comment: For solar only} [each generator of the Generating Facility] {SCE Comment: For all other technologies} [, and all Meteorological Equipment]; {SCE Comment: Intermittent only.}
(4) Telephone number on site;
(5) Telephone number of control room;
(6) Telephone number for operational issues; and
(7) Telephone number for administrative issues.

(h) The names of the Interconnection Point and the Delivery Point within thirty (30) days after Seller’s receipt of such information from the Transmission Provider or CAISO, as applicable.

{i} No later than twenty (20) days after each semi-annual period ending on June 30th or December 31st, a report listing all Diverse Business Enterprises that supplied goods or services to Seller during such period, including any certifications or other documentation of such Diverse Business Enterprises status as such and the aggregate amount paid to Diverse Business Enterprises during such period.

(i) SCE has the right to disclose to the CPUC all such information provided by Seller pursuant to this Section 3.17(i).

(ii) Seller shall make reasonable efforts to accommodate requests by the CPUC (or by SCE in response to a request by the CPUC) to audit Seller in order to verify data provided by Seller pursuant to this Section 3.17(i).

(j) Internal Revenue Service tax Form W-9 and California tax Form 590 (or their equivalent), completed with Seller's information, and any other documentation necessary for SCE to comply with its tax reporting or withholding obligations with respect to Seller, within ten (10) Business Days of Seller’s receipt of Notice from SCE requesting the same.

(k) Any certifications or other documentation that may be deemed necessary by the Green-e Energy National Standard Version 2.7, or any successor version, to
authenticate the Generating Facility’s eligibility for Green-e certification.

{SCE Comment: Only applicable to GTSR Resources.}

3.18 **SCE’s Access Rights.**

Seller hereby grants SCE the right of ingress and egress to examine the Site and Generating Facility for any purpose reasonably connected with this Agreement or the exercise of any and all rights of SCE under Applicable Law or SCE’s tariff schedules and rules on file with the CPUC. When at the Site, SCE, its authorized agents, employees and inspectors shall adhere to safety and security procedures as may reasonably be required by Seller, provided Seller has provided such procedures to SCE in writing in advance.

3.19 **Obtaining and Maintaining CEC Certification, and CEC Verification.**

(a) Within thirty (30) days after the Commercial Operation Date, Seller shall file an application or other appropriate request with the CEC for CEC Certification for the Generating Facility.

(b) Subject to Section 1.08, Seller shall take all necessary steps, including making or supporting timely filings with the CEC, to obtain and maintain CEC Certification and CEC Verification throughout the Delivery Term.

(c) Upon request by SCE, Seller shall provide copies of all correspondence and documentation exchanged between the CEC and Seller.

3.20 **Notice of Cessation or Termination of Service Agreements.**

Seller shall provide Notice to SCE within one (1) Business Day after termination of, or cessation of service under, any agreement necessary to deliver Product to SCE at the Delivery Point or to meter the Metered Amounts.

3.21 **Lost Output Report.**

(a) **Monthly Report; SCE Review.**

Commencing on the Commercial Operation Date and continuing throughout the Term, Seller shall calculate Lost Output and prepare and provide to SCE a Lost Output Report by the tenth (10th) Business Day of each month in accordance with Exhibit K.

SCE will have thirty (30) days after receipt of Seller’s monthly Lost Output Report or Supplemental Lost Output Report to review such report.

Upon SCE’s request, Seller shall promptly provide to SCE any additional data and supporting documentation necessary for SCE to audit and verify any matters in the Lost Output Report.

(b) **Disputes of Lost Output.**
If SCE disputes Seller’s Lost Output calculation, SCE shall provide Notice to Seller within thirty (30) days after receipt of Seller’s Lost Output Report and include SCE’s calculations and other data supporting its position.

The Parties shall negotiate in good faith to resolve any dispute.

If the Parties are unable to resolve a dispute within thirty (30) days after SCE’s giving the dispute Notice, either Party may submit the dispute to mediation and arbitration as provided in Article Twelve.

Seller will have no right to claim any Lost Output for any month that was not identified in the original Lost Output Report for that month; provided, Seller may supplement the amount of Lost Output claimed (“Supplemental Lost Output”) for the month with a supplemental Lost Output Report (“Supplemental Lost Output Report”) if Seller can demonstrate that Seller neither knew nor could have known through the exercise of reasonable diligence about the Supplemental Lost Output within the foregoing thirty (30) day period and Seller provides the Supplemental Lost Output Report within ten (10) Business Days after learning the facts which provide the basis for the Supplemental Lost Output claim; provided further, in no event will SCE be obligated to accept a Supplemental Lost Output Report after thirty (30) days following the end of the applicable Term Year.

(c) Product Replacement Damage Amount Calculation.

The Lost Output amount that will be used by SCE in the Product Replacement Damage Amount calculation, set forth in Exhibit F, will be the amount calculated pursuant to Exhibit K or otherwise resolved pursuant to Section 3.21(b).

3.22 Actual Availability Report.

(a) Throughout the Delivery Term, Seller shall prepare and provide to SCE a report with the Actual Available Capacity of the Generating Facility (an “Actual Availability Report”) for each month.

This report must be in the form set forth in Exhibit N and must be delivered to SCE no later than the seventh (7th) Business Day following the end of the month which is the subject of the Actual Availability Report.

(b) Upon SCE’s request, Seller shall promptly provide to SCE any additional data and supporting documentation necessary for SCE to audit and verify any matters set forth in the Actual Availability Report.

3.23 Seller’s Provision of Historic Wind Data.

(a) Seller shall provide to SCE a minimum of one (1) year of recorded meteorological data from the Site not later than ninety (90) days before the Commercial Operation Date.

Seller may provide data from additional years if any such data is available.
(b) **Data Parameters.**

For each equipment station that is installed, Seller shall provide the following data to the extent such data has been recorded:

(i) Wind direction;
(ii) Wind speed;
(iii) Air temperature;
(iv) Barometric pressure;
(v) Relative humidity;
(vi) Elevation of the station; and
(vii) Latitude and longitude of the station.

(c) **Format of Data.**

Seller shall provide the data:

(i) In the format to be specified by SCE; and
(ii) In the interval in which such data was recorded.

*SCE Comment: For Wind only. SCE will require such information from Seller if the Site is in an area for which SCE has no historic information.*

3.24 **Seller’s Provision of Historic Solar Data.**

(a) Seller shall provide to SCE a minimum of one (1) year of recorded meteorological data from the Site not later than ninety (90) days before the Commercial Operation Date.

Seller may provide data from additional years if any such data is available.

(b) **Data Parameters.**

For each equipment station that is installed, Seller shall provide the following data to the extent such data has been recorded:

(i) Total global irradiance;
(ii) Wind direction;
(iii) Wind speed;
(iv) Air temperature;
(v) Barometric pressure;
(vi) Relative humidity;
(vii) Elevation of the station; and
3.25 Hydro Certification.

Seller shall provide to SCE a copy of the certification identified in Public Utilities Code Sections 2821(d)(1) and (e)(1) as evidence of Seller’s compliance with Public Utilities Code Section 2821(c) within thirty (30) days of Seller’s receipt of such documentation from the State Water Resources Control Board but in no event later than sixty (60) days after Commercial Operation (“Hydro Certification”).

(SCE Comment: Hydro only.)

3.26 NERC Reliability Standards.

Throughout the Delivery Term, Seller shall be:

(a) Responsible for complying with any NERC Reliability Standards applicable to the Generating Facility, including registration with NERC as the Generator Operator for the Generating Facility or other applicable category under the NERC Reliability Standards and implementation of all applicable processes and procedures required by NERC, WECC or CAISO for compliance with the NERC Reliability Standards; and

(b) Liable for all penalties assessed by NERC (through WECC, the CAISO or otherwise) for violations of the NERC Reliability Standards by the Generating Facility or Seller, as Generator Operator or other applicable category.

However, if Seller learns that NERC (through WECC or otherwise) is considering or intends to assess Seller with a penalty that Seller believes is attributable to SCE’s actions or inactions as SC as described in the document entitled “NERC Reliability Standards - Responsibilities of the Generator Operator, Scheduling Coordinator, CAISO, and Reliability Coordinator” or other successor description or document on the CAISO website at the time of the potential assessment, Seller shall provide SCE with sufficient notice to allow SCE to take part in administrative processes, discussions or settlement negotiations with NERC, WECC or other entity arising from or related to the alleged violation or possible penalty. If the penalty is nonetheless assessed in spite of SCE’s participation in the processes, discussions or settlement negotiations, or SCE waives its right to take part in the processes, discussion or settlement negotiations, SCE shall reimburse Seller for the penalty to the extent that:

(c) It was solely caused by SCE’s actions or inactions as SC as described in the document entitled “NERC Reliability Standards - Responsibilities of the
Generator Operator, Scheduling Coordinator, CAISO, and Reliability Coordinator” or other successor description or document on the CAISO website at the time of the violation; and

(d) Seller can establish to SCE’s reasonable satisfaction that the penalty was actually assessed against Seller by NERC and paid by Seller to NERC.

3.27 Application of Prevailing Wage.

To the extent applicable, Seller shall comply with the prevailing wage requirements of Public Utilities Code Section 399.14, subdivision (h).

3.28 Interconnection Affiliate and Affiliate Manager Action.

Any obligation or action required of Seller under this Agreement shall, as applicable, also include an obligation that Seller cause the Interconnection Affiliate and/or the Affiliate Manager to fulfill such obligation or take such required action. {SCE Comment: Language applicable to projects that utilize Shared Facilities.}

*** End of ARTICLE THREE ***
ARTICLE FOUR.  SCE’S OBLIGATIONS

4.01  Obligation to Pay and Invoice.

(a)  SCE shall provide information to Seller regarding CAISO Revenues, CAISO Costs, CAISO Sanctions, and SCE Penalties and shall pay Seller, all in accordance with Exhibit E.

(b)  Throughout the Delivery Term, SCE shall purchase Product generated by the Generating Facility and delivered at the Delivery Point in accordance with this Agreement, CAISO Tariff and Applicable Law, provided, subject to Section {s} 4.01(c) [and 4.01(d)] {SCE Comment: for Sellers that select box (b), the Federal Production Tax Credit with eligibility for reimbursement, in Section 1.10}, SCE has no obligation to purchase from Seller any Product that is not or cannot be delivered to the Delivery Point as a result of any circumstance, including:

(i) An outage of the Generating Facility;

(ii)  A Force Majeure under Article Five; or

(iii) A reduction or curtailment of deliveries in accordance with Section 3.12(g), except as set forth in Section 4.01(c).

(c)  Subject to Section 4.01(e), SCE will be obligated to pay Seller for any CP in each Term Year, in accordance with Exhibit E.

(d)  SCE shall compensate Seller for lost Federal Production Tax Credits associated with the cumulative amount of Paid Curtailed Product in each Term Year, at the then applicable Federal Production Tax Credit rate times [TBD] in order to “gross-up” the lost Federal Production Tax Credit. Seller shall provide SCE with documentation that establishes to SCE’s reasonable satisfaction that (i) Seller is entitled to receive Federal Production Tax Credits for the Paid Curtailed Product; and (ii) the amount of the compensation due under this Section 4.01(d). {SCE Comment: for Sellers that are eligible for the Federal Production Tax Credit}

(e)  SCE will not be obligated to pay Seller for any Product that Seller delivers in violation of Section 3.12(g), and Seller shall pay all CAISO Sanctions and CAISO Costs, and SCE shall retain all CAISO Revenues resulting from such violation of Section 3.12(g).

4.02  SCE’s Check Meter.

(a)  Providing Access to Seller.

Before Commercial Operation, SCE shall provide to Seller remote access to the Check Meter through a website as specified by SCE. SCE may change the
(b) Testing of Check Meter.

SCE may test and recalibrate the Check Meter(s) at least once every Term Year. The Check Meter(s) will be locked or sealed, and the lock or seal will be broken, only by a SCE representative. Seller has the right to be present whenever such lock or seal is broken. SCE shall replace the battery of the Check Meter(s) at least once every 36 months; provided, if a Check Meter battery fails, SCE shall promptly replace such battery.

(c) Use of Check Meter for Back-Up Purposes.

(i) SCE shall routinely compare the Check Meter data to the CAISO Approved Meter data after adjusting the Check Meter for any compensation introduced by the CAISO into the CAISO Approved Meter.

(ii) If the deviation between the CAISO Approved Meter data and the Check Meter data for any comparison is greater than 0.3%, SCE shall provide Notice to Seller of such deviation and the Parties will mutually arrange for a meter check or recertification of the Check Meter or CAISO Approved Meter, as applicable.

(iii) SCE will bear its own costs for any meter check or recertification of the Check Meter.

{SCE Comment: Language only applicable to projects that do not utilize a shared transformer.}

(i) SCE may routinely compare the Check Meter data to the CAISO Approved Meter data after adjusting the Check Meter(s) for any compensation introduced by the CAISO into the CAISO Approved Meter(s).

(ii) If the deviation between the CAISO Approved Meter data and the Check Meter data for any comparison is greater than 0.3%, SCE shall have the option to provide Notice to Seller of such deviation and the Parties shall mutually arrange for a meter check or recertification of the Check Meter(s) or CAISO Approved Meter(s), as applicable.

(iii) Seller will bear its own costs for any meter check or recertification of the Check Meter(s).

{SCE Comment: Language only applicable to projects that utilize a shared transformer.}

(d) Testing procedures and standards for the Check Meter(s) will be the same as for a comparable SCE-owned revenue-grade meter. Seller has the right to have representatives present during all such tests.
4.03 **Scheduling Coordinator.**

Commencing on the Commercial Operation Date, SCE shall act as Seller’s Scheduling Coordinator and carry out all duties as Scheduling Coordinator in accordance with CAISO Tariff protocols.

4.04 **Termination of Scheduling Coordinator.**

SCE shall submit a letter to the CAISO identifying the date on which SCE resigns as Seller’s Scheduling Coordinator on the first to occur of the following:

(a) Thirty (30) days before the end of the Term;
(b) The date of any Notice from Seller of suspension of its performance pursuant to Section 6.02; or
(c) The date of any early termination of this Agreement.

4.05 **Exclusive Rights to Product and Cost Responsibility.**

(a) SCE has the exclusive right, at any time or from time to time, to sell, assign, convey, transfer, allocate, designate, award, report or otherwise provide any and all such Green Attributes, Capacity Attributes or Resource Adequacy Benefits conveyed by Seller to SCE during the Delivery Term to third parties; provided, no such action constitutes a transfer of, or a release of SCE of, its obligations under this Agreement.

(b) Subject to Seller’s obligations under this Agreement, including, without limitation, Sections 3.01, [3.02,] 3.08, 3.12, 3.19, [6.01(b)(xxiv)] and 10.03(b), SCE shall be responsible for any costs arising from or directly related to SCE’s accounting for or otherwise claiming Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

4.06 **Interest Payments on Cash Deposits.**

(a) SCE shall make monthly Simple Interest Payments, calculated using the Federal Funds Effective Rate, to Seller on cash amounts posted for the:

(i) Development Security; and
(ii) Performance Assurance.

(b) Upon receipt of a monthly invoice (provided by Seller to SCE’s Manager of Credit and Collateral as set forth in Exhibit C) that sets forth the calculation of the Simple Interest Payment amount due, SCE shall make payment thereof by the third (3rd) Business Day of the first month after the last month to which the invoice relates so long as such date is after the day on which such invoice is received; provided,

(i) No Event of Default has occurred and is continuing with respect to Seller; and
(ii) No Early Termination Date for which any unsatisfied payment obligation of Seller exists, has occurred or has been designated as the result of an Event of Default by Seller.

(c) On or after the occurrence of an Event of Default by Seller or an Early Termination Date as a result of an Event of Default by Seller, SCE will retain any such Simple Interest Payment amount as an additional Development Security amount or a Performance Assurance amount hereunder until:

(i) In the case of an Early Termination Date, the obligations of Seller under this Agreement have been satisfied; or

(ii) In the case of an Event of Default, for so long as such Event of Default is continuing.

*** End of ARTICLE FOUR ***
ARTICLE FIVE. FORCE MAJEURE

5.01 No Default for Force Majeure.

Neither Party will be considered to be in default in the performance of any of its obligations set forth in this Agreement (except for obligations to pay money) when and to the extent failure of performance is caused by Force Majeure.

5.02 Requirements Applicable to the Claiming Party.

If a Party, because of Force Majeure, is rendered wholly or partly unable to perform its obligations when due under this Agreement, that Party (the “Claiming Party”), will be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided, the Claiming Party must have complied with (a) and (b) directly below.

In order to be excused from its performance obligations hereunder by reason of Force Majeure:

(a) The Claiming Party, within fourteen (14) days after the initial occurrence of the claimed Force Majeure, must give the other Party Notice describing the particulars of the occurrence; and

(b) The Claiming Party must provide timely evidence reasonably sufficient to establish that the occurrence constitutes Force Majeure as defined in this Agreement.

The suspension of the Claiming Party’s performance due to Force Majeure will be of no greater scope and of no longer duration than is required by the Force Majeure.

In addition, the Claiming Party shall use commercially reasonable and diligent efforts to remedy its inability to perform.

This Section 5.02 does not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Claiming Party, are contrary to its interest.

It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes will be at the sole discretion of the Claiming Party.

When the Claiming Party is able to resume performance of its obligations under this Agreement, the Claiming Party shall give the other Party prompt Notice to that effect.

5.03 Commercial Operation Deadline Extension.

If the Commercial Operation Date does not occur on or before the Commercial Operation Deadline as the result of a Force Majeure occurring before the Commercial Operation Deadline, then the Commercial Operation Deadline will, subject to Sections 1.03 and 5.04 and Seller’s compliance with its obligations as the Claiming Party under Section 5.02, be extended on a day-for-day basis for the duration of the Force Majeure.
5.04 Termination.

Either Party may terminate this Agreement on Notice, which will be effective five (5) Business Days after such Notice is provided, if (a) an event of Force Majeure extends for more than three hundred sixty-five (365) consecutive days and materially and adversely affects the operations of the Claiming Party, or (b) the Generating Facility is destroyed or rendered inoperable by a Force Majeure, and an independent, third-party engineer determines in writing that the Generating Facility cannot be repaired or replaced within twenty-four (24) months after the first day of such Force Majeure.

*** End of ARTICLE FIVE ***
ARTICLE SIX. EVENTS OF DEFAULT; REMEDIES

6.01 Events of Default.

An “Event of Default” means, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

(a) With respect to either Party:

(i) Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated if the representation or warranty is continuing in nature, provided, if:

(1) The misrepresentation or breach of warranty is capable of a cure, an Event of Default will be deemed to occur if the misrepresentation or breach of warranty is not remedied within five (5) Business Days after Notice from the non-breaching Party; or

(2) The misrepresentation or breach of warranty is not capable of a cure, but the non-breaching Party’s damages resulting from the inaccuracy can reasonably be ascertained, an Event of Default will be deemed to occur if the payment of such damages is not made within ten (10) Business Days after a Notice of these damages is provided from the non-breaching Party;

(ii) Except for an obligation to make payment when due, the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default specified below or to the extent excused by a Force Majeure) if this failure is not remedied within thirty (30) days after Notice of the failure, which Notice sets forth in reasonable detail the nature of the failure; provided, if the failure is not reasonably capable of being cured within the thirty (30) day cure period specified above, the Party will have such additional time (not exceeding an additional one hundred twenty (120) days) as is reasonably necessary to cure the failure, so long as the Party promptly commences and diligently pursues the cure;

(iii) A Party fails to make when due any payment required under this Agreement and this failure is not cured within five (5) Business Days after Notice of the failure;

(iv) A Party becomes Bankrupt; or

(v) A Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations
of that Party under this Agreement either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) With respect to Seller:

(i) Seller fails to post and maintain the Development Security pursuant to Section 3.06(a), and such failure is not cured within three (3) Business Days after Notice from SCE;

(ii) Seller fails to post and maintain the Performance Assurance pursuant to Section 8.02, and such failure is not cured within three (3) Business Days after Notice from SCE;

(iii) Commercial Operation does not occur on or before the Commercial Operation Deadline;

(iv) Except as permitted in Sections 10.04 and 10.05, Seller does not own or otherwise have control of the Generating Facility;

(v) Seller does not have Site Control [or Shared Facilities Control] in accordance with Section 3.09 and Seller has not cured such failure within sixty (60) days after the occurrence of the event which results in the failure; [SCE Comment: Bracketed language only applicable to projects that have Shared Facilities.]

(vi) The sum of Qualified Amounts plus Lost Output in any consecutive six (6) month period is not at least ten percent (10%) of the Expected Annual Net Energy Production, and Seller fails to demonstrate to SCE’s reasonable satisfaction, within ten (10) Business Days after Notice from SCE, a legitimate reason for the failure to meet the ten percent (10%) minimum;

(vii) The Metered Amounts in any one hour interval, in kWh, exceed one hundred fifteen percent (115%) of the Contract Capacity, in kW, to this Agreement, (an “Event of Excess Deliveries”), without the prior written consent of SCE, and within ten (10) Business Days after Notice from SCE, Seller fails to demonstrate to SCE’s satisfaction that Seller has identified the reason that the Event of Excess Deliveries occurred and that Seller has employed or is employing best efforts to ensure that no additional Events of Excess Deliveries will occur throughout the Delivery Term; [SCE Comment: Baseload only.]

(viii) Seller intentionally or knowingly Forecasts or delivers, or attempts to Forecast or deliver, at the Delivery Point for sale under this Agreement electric energy that was not in fact generated by the Generating Facility;

(ix) Seller installs generating capacity in excess of the Contract Capacity and such excess generating capacity is not removed within five (5) Business Days after Notice from SCE; [SCE Comment: Intermittent only]
<table>
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<th>Seller installs direct current electric energy generating capacity in excess of the Installed DC Rating and such excess direct current energy generating capacity is not removed within five (5) Business Days after Notice from SCE;</th>
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| (xi) | Seller removes from the Site equipment upon which the Contract Capacity has been based, except for the purposes of replacement, refurbishment, repair or maintenance, and the equipment is not returned within five (5) Business Days after Notice from SCE; |

| (xii) | The Generating Facility consists of an ERR type(s) different than that specified in Section 1.01(g); |

| (xiii) | Except where there has been a change in Applicable Laws that would affect Seller’s status as an ERR, and Seller has made commercially reasonable efforts in accordance with Section 10.02(b) to comply with the change in law, the Generating Facility fails to qualify as an ERR; |

| (xiv) | Except where there has been a change in Applicable Law that would affect the eligibility of electric energy to qualify as renewable energy for the purposes of the RPS Legislation and Seller has made commercially reasonable efforts in accordance with Section 10.02(c) to comply with the change in law, any electric energy from the Generating Facility and sold or to be sold to SCE hereunder fails to qualify as eligible renewable energy for purposes of the RPS Legislation; |

| (xv) | A termination of, or cessation of service under, any agreement necessary for Seller: |

| (1) | To interconnect the Generating Facility to the Transmission Provider’s electric system; |

| (2) | To transmit the electric energy on the Transmission Provider’s electric system; or |

| (3) | To comply with the CAISO Tariff; |

|     | **provided,** if SCE and Seller mutually agree that a termination of, or cessation of service under, any such agreement is not due to the fault of Seller, Seller shall have thirty (30) days from such termination or cessation to cure such default; |

| (xvi) | Subject to Section 1.08, Seller fails to take any actions necessary to dedicate, convey or effectuate the use of any and all Green Attributes, Capacity Attributes and Resource Adequacy Benefits for SCE’s sole benefit as specified in Section 3.01; |

| (xvii) | Except for Credit and Collateral Requirements in Article Eight for which there is a separate Event of Default specified in this Section 6.01, Seller |
fails to satisfy the Credit and Collateral Requirements in Article Eight and the failure is not cured within three (3) Business Days after Notice from SCE;

(xviii) Subject to the terms of a Collateral Assignment Agreement, the occurrence and continuation of a default, event of default or other similar condition or event under one or more agreements or instruments relating to indebtedness for borrowed money, which results in the indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable;

(xix) The stock, equity ownership interest in Seller or assets of Seller has been pledged or assigned as collateral or otherwise to any party other than Lender;

(xx) Seller transfers or assigns the Interconnection Queue Position or the interconnection agreement without the written consent of SCE;

(xxi) Seller fails to provide Hydro Certification in accordance with Section 3.25;

{SCE Comment: Hydro only.}

(xxii) Seller fails to take all commercially reasonable actions, including any actions required in Seller’s interconnection agreement, to expeditiously obtain Full Capacity Deliverability Status.

{SCE Comment: FCDS projects only.}

(xxiii) The CAISO Exemption is no longer in effect or Seller’s continuing failure to comply with the CAISO Tariff due, in part, to the Shared Facilities; or

(xxiv) WREGIS, the CEC or the CPUC have disqualified, disallowed, or rejected any Renewable Energy Credits due to the Shared Facilities’ metering scheme failing to meet any requirement. Upon Notice of an Event of Default pursuant to this Section 6.01(b)(xxiv), Seller or Seller’s Ultimate Parent may cure the Event of Default within thirty (30) days of such Notice by paying to SCE an amount equal to the Product Price multiplied by a factor of 1.35, multiplied by the quantity of Renewable Energy Credits (as expressed in MWhs) that have been disqualified, disallowed, or rejected by WREGIS, CEC, or the CPUC.

{SCE Comment: Language only applicable to projects that utilize a shared transformer.}

(xxv) Except as provided in Section 2.01(b), 3.05(a) or Section 10.18, Seller assigns or transfers its rights, obligations, interests, property or title under...
or in the interconnection agreement, in any Shared Facilities or in any Shared Facilities Agreement, without the consent of SCE;

(xxvi) Except as provided in Section 2.01(b), 3.05(a) or Section 10.18, Seller’s rights or obligations under the interconnection agreement or any Shared Facilities Agreement are amended or otherwise revised in a manner that would have an adverse effect on Seller’s ability to perform hereunder, without the consent of SCE; or

(xxvii) Seller fails to maintain the required interconnection capacity pursuant to Section 3.05(a).

{SCE Comment: Language applicable to projects that utilize Shared Facilities.}

6.02 Early Termination.

If an Event of Default shall have occurred, the Party taking the default (the “Non-Defaulting Party”) has the right:

(a) To designate by Notice, which will be effective five (5) Business Days after the Notice is given, a day, no later than twenty (20) calendar days after the Notice is effective, for the early termination of this Agreement (an “Early Termination Date”); provided, a Non-Defaulting Party’s right to terminate this Agreement pursuant to this Section 6.02(a) may only be exercised within one hundred and eighty (180) days from the date that the default giving rise to the applicable Event of Default is no longer continuing, or, if no cure period is provided for, from the date the Non-Defaulting Party becomes aware of the Event of Default; and

(b) To pursue all remedies available at law or in equity against the Defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.

Upon the effective designation of an Early Termination Date, the Non-Defaulting Party will have the right to immediately suspend performance under this Agreement, including performance under Section 3.03 but excluding the obligation to post and maintain Development Security and Performance Assurance in accordance with Section 3.06 or Article Eight.

{SCE Comment: Language only applicable to projects that do not utilize a shared transformer.}

(a) If an Event of Default shall have occurred, the Party taking the default (the “Non-Defaulting Party”) has the right:

(i) To designate by Notice, which will be effective five (5) Business Days after the Notice is given, a day, no later than twenty (20) calendar days after the Notice is effective, for the early termination of this Agreement (an “Early Termination Date”). With the exception of Section 6.02(c), a
Non-Defaulting Party’s right to terminate this Agreement pursuant to this Section 6.02(a)(i) may only be exercised within one hundred and eighty (180) days from the date that the default giving rise to the applicable Event of Default is no longer continuing, or, if no cure period is provided for, from the date the Non-Defaulting Party becomes aware of the Event of Default; and

(ii) To pursue all remedies available at law or in equity against the Defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.

(b) Upon the effective designation of an Early Termination Date, the Non-Defaulting Party will have the right to immediately suspend performance under this Agreement, including performance under Section 3.03 but excluding the obligation to post and maintain Development Security and Performance Assurance in accordance with Section 3.06 or Article Eight.

(c) In the case of an Event of Default pursuant to Section 6.01(b)(xxiii), SCE shall have the right to suspend performance under the Agreement without having to designate an Early Termination Date. SCE may continue to suspend performance under the Agreement so long as the Event of Default is continuing, provided that such suspension period shall not last longer than three hundred and sixty-five (365) days commencing upon the date that the CAISO Exemption was no longer in effect. During any such suspension period, Seller shall have the period outlined by the CAISO in order to demonstrate compliance with the CAISO Tariff (the “CAISO Exemption Cure Period”). If Seller is unable to demonstrate compliance with the CAISO Exemption Cure Period or the three hundred and sixty-five day suspension period, whichever date is earlier, SCE shall have the right to designate an Early Termination Date by Notice, which will be effective five (5) Business Days after the Notice is given. 

{SCE Comment: Language only applicable to projects that utilize a shared transformer.}

6.03 Termination Payment.

As soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide Notice to the Defaulting Party of the Termination Payment.

The Notice must include a written statement setting forth, in reasonable detail, the calculation of such Termination Payment including the Forward Settlement Amount, together with appropriate supporting documentation.

If the Termination Payment is positive, the Defaulting Party shall pay such amount to the Non-Defaulting Party within ten (10) Business Days after the Notice is provided. If the Termination Payment is negative (i.e., the Non-Defaulting Party owes the Defaulting
Party more than the Defaulting Party owes the Non-Defaulting Party), then the Non-Defaulting Party shall pay such amount to the Defaulting Party within thirty (30) days after the Notice is provided.

The Parties shall negotiate in good faith to resolve any disputes regarding the calculation of the Termination Payment. Any Disputes which the Parties are unable to resolve through negotiation may be submitted for resolution through mediation and arbitration as provided in Article Twelve.

*** End of ARTICLE SIX ***
ARTICLE SEVEN. LIMITATIONS OF LIABILITIES

EXCEPT AS SET FORTH HEREIN, THERE ARE NO WARRANTIES BY EITHER PARTY UNDER THIS AGREEMENT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR’S LIABILITY WILL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE.

SUBJECT TO SECTION 12.04, IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR’S LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

DIRECT DAMAGES INCLUDE THE VALUE OF ANY FEDERAL TAX CREDITS SELECTED IN SECTION 1.10(a), (b), OR (c), DETERMINED ON AN AFTER-TAX BASIS, THAT ARE LOST BY SELLER DUE TO AN EVENT OF DEFAULT BY SCE WHERE SELLER PROVIDED NOTICE OF EARLY TERMINATION TO SCE IN ACCORDANCE WITH SECTION 6.02(a) AND SELLER HAS NOT BEEN ABLE TO MITIGATE THAT LOSS AFTER USE OF REASONABLE EFFORTS.

[SCE Comment: For Generating Facilities that qualify for a Federal Tax Credits selected in Section 1.10.]

UNLESS EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE PROVISIONS OF SECTION 10.03 (INDEMNITY), NEITHER PARTY WILL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDENDNITY PROVISION OR OTHERWISE.

IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT...
OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

NOTHING IN THIS ARTICLE PREVENTS, OR IS INTENDED TO PREVENT SCE FROM PROCEEDING AGAINST OR EXERCISING ITS RIGHTS WITH RESPECT TO ANY DEVELOPMENT SECURITY, OR PERFORMANCE ASSURANCE.

*** End of ARTICLE SEVEN ***
ARTICLE EIGHT. CREDIT AND COLLATERAL REQUIREMENTS

8.01 Financial Information.

(a) If requested by one Party, the other Party shall deliver the following financial statements, which in all cases must be for the most recent accounting period and prepared in accordance with GAAP:

(i) Within one hundred twenty (120) days following the end of each fiscal year, a copy of its annual report containing audited consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal year, setting forth in each case in comparative form the figures for the previous year; and

(ii) Within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of its quarterly report containing consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year.

(b) In each case, the financial statements specified in Sections 8.01(a)(i) and 8.01(a)(ii) above must be:

(i) Certified in accordance with all applicable laws and regulations, including all applicable SEC rules and regulations, if such Party is an SEC reporting company; or

(ii) Certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments) if such Party is not an SEC reporting company;

(c) For purposes of the requirement set forth in Section 8.01(a)

(i) If a Party’s financial statements are publicly available electronically on the website of that Party or the SEC, then the Party shall be deemed to have met the requirements of Section 8.01(a); and

(ii) Should any such financial statements not be available on a timely basis due to a delay in preparation or certification, that delay will not be an Event of Default so long as the producing party diligently pursues the preparation, certification and delivery of the statements.

8.02 Development Security and Performance Assurance.

(a) Posting Performance Assurance.

On or before the Commercial Operation Date, Seller shall post Performance Assurance with SCE.
The Performance Assurance Amount due to SCE by Seller will be as set forth in Section 1.06.

The Performance Assurance Amount shall be posted to SCE and maintained at all times during the Term and thereafter until such time as Seller has satisfied all monetary obligations which survive any termination of this Agreement, not to exceed one year following the end of the Term.

The Performance Assurance Amount must be either in the form of cash or Letter of Credit acceptable to SCE, provided, on the commencement of the Term, if Seller has posted the Development Security in the form of cash or a Letter of Credit and SCE has not either returned the Development Security to Seller or given Seller Notice, pursuant to Exhibit J, of its determination regarding the disposition of the Development Security by such date, then Seller may withhold the portion of the Performance Assurance Amount equal to the Development Security or any portion thereof held by SCE at that time until three (3) Business Days following the later of Seller’s receipt or forfeiture of the Development Security or any portion thereof pursuant to Section 3.06 and Exhibit J, after which Seller shall be obligated to post the full Performance Assurance Amount.

(b) Letters of Credit

Development Security and Performance Assurance provided in the form of a Letter of Credit must be subject to the following provisions:

(i) Each Letter of Credit must be maintained for the benefit of SCE;

(ii) Seller shall:

(1) Renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit;

(2) If the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide alternative Development Security or Performance Assurance acceptable to SCE at least twenty (20) Business Days before the expiration of the outstanding Letter of Credit; and

(3) If the bank issuing a Letter of Credit fails to honor SCE’s properly documented request to draw on an outstanding Letter of Credit, provide alternative Development Security or Performance Assurance acceptable to SCE within three (3) Business Days after such refusal;

(iii) Upon the occurrence of a Letter of Credit Default, Seller shall provide to SCE either a substitute Letter of Credit or alternative Development Security or Performance Assurance acceptable to SCE, in each case on or before the third (3rd) Business Day after the occurrence thereof;
(iv) Upon, or at any time after, the occurrence and continuation of an Event of Default by Seller, or if an Early Termination Date has occurred or been designated as a result of an Event of Default by Seller for which there exist any unsatisfied payment obligations, then SCE may draw on any undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit of one or more certificates specifying that such Event of Default or Early Termination Date has occurred and is continuing.

In addition, SCE will have the right to draw on the Letter of Credit for any of the following reasons:

1. The Letter of Credit will expire in fewer than twenty (20) Business Days and Seller has not provided SCE alternative Development Security or Performance Assurance acceptable to SCE.

2. The Seller or the issuer of the Letter of Credit has provided written notice to SCE of either Seller’s or the issuer’s intent not to renew the Letter of Credit following the present expiration date thereof (“Notice of Non-Renewal”), and Seller has failed to provide SCE with a replacement Letter of Credit satisfactory to SCE in its sole discretion within thirty (30) days following the date of the Notice of Non-Renewal.

3. SCE has not been paid any or all of Seller’s payment obligations due and payable under the Agreement.

Cash proceeds received by SCE from drawing upon the Letter of Credit pursuant to this Section 8.02(b)(iv) (except item (3) above for payment obligations due and payable) will be deemed Development Security or Performance Assurance (as applicable) as security for Seller’s obligations to SCE and SCE will have the rights and remedies set forth in Section 8.03 with respect to such cash proceeds.

Notwithstanding SCE’s receipt of cash proceeds of a drawing under the Letter of Credit, Seller shall remain liable for any:

4. Failure to provide or maintain the required Development Security or Performance Assurance (including failure to replenish a Letter of Credit to the full Development Security or Performance Assurance Amount in the event that SCE draws against the Letter of Credit for any reason other than to satisfy a Termination Payment); or

5. Any amounts owing to SCE and remaining unpaid after the application of the amounts so drawn by SCE; and
In all cases, the costs and expenses of establishing, renewing, replenishing, substituting, canceling, and increasing the amount of any and all Letters of Credit will be borne by Seller.

8.03 First Priority Security Interest in Cash or Cash Equivalent Collateral.

To secure its obligations under this Agreement, and until released as provided herein, Seller hereby grants to SCE a present and continuing first-priority security interest ("Security Interest") in, and lien on (and right to net against), and assignment of the Development Security, Performance Assurance, any other cash collateral and cash equivalent collateral posted pursuant to Sections 3.06 and 8.02 and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of SCE, and Seller agrees to take all action as SCE reasonably requires in order to perfect SCE’s Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or any time after the occurrence of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where SCE is authorized to retain all or a portion of the Development Security or Performance Assurance, SCE may do any one or more of the following:

(a) Exercise any of its rights and remedies with respect to the Development Security and Performance Assurance, including any such rights and remedies under law then in effect;

(b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by SCE as Development Security or Performance Assurance; and

(c) Liquidate all Development Security or Performance Assurance (as applicable) then held by or for the benefit of SCE free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

SCE shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller’s obligations under this Agreement (Seller remains liable for any amounts owing to SCE after such application), subject to SCE’s obligation to return any surplus proceeds remaining after these obligations are satisfied in full.

8.04 Credit and Collateral Covenants.

(a) Seller shall, from time to time as requested by SCE, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid and enforceable under all applicable laws the rights, liens and priorities of SCE with respect to the Security Interest provided for herein and therein.
(b) Seller may not cause or permit the stock, equity ownership interest in Seller or assets of Seller to be pledged or assigned as collateral or otherwise to any party other than Lender.

(c) Seller may not create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable for, contingently or otherwise, any Seller’s Debt, or issue any Disqualified Stock, in each case, other than Seller’s Debt incurred, issued, assumed or guaranteed, or Disqualified Stock issued, in connection with the funding of the development, construction or Operation of the Generating Facility.

(d) Except for liens for the benefit of Lender, Seller may not create, incur, assume or suffer to be created by it or any subcontractor, employee, laborer, materialman, other supplier of goods or services or any other person, any lien on Seller’s interest (or any part thereof) in this Agreement, the Site or the Generating Facility.

(e) Seller promptly shall pay or discharge, or shall cause its contractors to promptly pay and discharge, and discharge of record, any such lien for labor, materials, supplies or other obligations upon Seller’s interest in the Site, the Generating Facility, or any part thereof or interest therein, unless Seller is disputing any such lien in good faith and only for so long as it does not create an imminent risk of a sale or transfer of the Generating Facility or a material part thereof.

(f) Seller shall promptly notify SCE of any attachment or imposition of any lien against Seller’s interest (or any part thereof) in the Site, the Generating Facility, or any part thereof or interest therein.

(g) Seller may not hold any material assets, become liable for any material obligations or engage in any material business activities other than the development, construction and Operation of the Generating Facility [and the ownership and/or management of Interconnection Affiliate with respect to the Shared Facilities as contemplated under Section 3.05]. {SCE Comment: Bracketed language only applicable to projects that utilize Shared Facilities.}

(h) Seller may not own, form or acquire, or otherwise conduct any of its activities through, any direct or indirect subsidiary [other than, with respect to the Shared Facilities as contemplated under Section 3.05, Interconnection Affiliate]. {SCE Comment: Bracketed language only applicable to projects that utilize Shared Facilities.}

(i) During any period during which Seller is a Defaulting Party, Seller may not:

   (i) Declare or pay any dividend, or make any other distribution or payment, on account of any equity interest in Seller; or

   (ii) Otherwise make any distribution or payment to any Affiliate of Seller.

8.05 Commercial Code Waiver.
This Agreement sets forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in Article Eight of this Agreement, neither Party:

(a) Has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever; or

(b) Will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Article Eight of this Agreement;

and all implied rights relating to financial assurances arising from Section 2609 of the California Commercial Code or case law applying similar doctrines, are hereby waived.

8.06 Consolidation of Seller’s Financial Statements.

(a) Buyer shall determine, through consultation with its internal accountants and review with their independent registered public accounting firm, whether Buyer is required to consolidate Seller’s financial statements with Buyer’s financial statements for financial accounting purposes under Accounting Standards Codification (ASC) 810/Accounting Standards Update 2009-17, “Consolidation of Variable Interest Entities” (ASC 810), or future guidance issued by accounting profession governance bodies or the SEC that affects Buyer accounting treatment for this Agreement (the “Financial Consolidation Requirement”).

(b) If the Financial Consolidation Requirement is applicable, then:

(i) Within 20 days following the end of each calendar year (for each year that such treatment is required), Seller shall deliver to Buyer unaudited financial statements and related footnotes, if applicable, of Seller as of the end of the year. The annual financial statements should include quarter-to-date and yearly information. Buyer shall provide to Seller a checklist before the end of each year listing the items which Buyer believes are material to Buyer and required for this purpose, and Seller shall provide the information on the checklist, subject to the availability of data from Seller’s records. It is permissible for Seller to use accruals and prior months’ estimates with true-up to actual activity, in subsequent periods, when preparing unaudited financial statements and the information on the checklist. If audited financial statements are prepared for Seller for the year, Seller shall provide such statements to Buyer within five Business Days after those statements are issued.

(ii) Within 15 days following the end of each fiscal quarter (for each quarter that such treatment is required), Seller shall deliver to Buyer unaudited financial statements and related footnotes, if applicable, of Seller as of the end of the quarterly period. The financial statements should include...
quarter-to-date and year-to-date information. Buyer shall provide to Seller a checklist before the end of each quarter listing items which Buyer believes are material to Buyer and required for this purpose, and Seller shall provide the information on the checklist, subject to the availability of data from Seller’s records. It is permissible for Seller to use accruals and prior months’ estimates with true-up to actual activity, in subsequent periods, when preparing the unaudited financial statements and the information on the checklist.

(iii) If Seller regularly prepares its financial data in accordance with GAAP, IFRS, or any successor to either of the foregoing (“Successor”), the financial information provided to Buyer shall be prepared in accordance with such principles. If Seller is not a SEC registrant and does not regularly prepare its financial data in accordance with GAAP, IFRS or Successor, the information provided to Buyer shall be prepared in a format consistent with Seller’s regularly applied accounting principles, e.g., the format that Seller uses to provide financial data to its auditor.

(c) If the Financial Consolidation Requirement is applicable, then promptly upon Notice from Buyer, Seller shall allow Buyer’s independent registered public accounting firm such access to Seller’s records and personnel, as reasonably required so that Buyer’s independent registered public accounting firm can conduct financial statement audits in accordance with the standards of the Public Company Accounting Oversight Board (United States), as well as internal control audits in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, as applicable. All expenses for the foregoing work of SCE’s independent registered public accounting firm shall be borne by Buyer. If Buyer’s independent registered public accounting firm during or as a result of the audits permitted in this Section 8.06(c) determines a material weakness or significant deficiency, as defined by GAAP, IFRS or Successor, as applicable, exists in Seller’s internal controls over financial reporting, then within 90 days of Seller’s receipt of Notice from Buyer, Seller shall remediate any such material weakness or significant deficiency; provided, however, that Seller has the right to challenge the appropriateness of any determination of material weakness or significant deficiency. Seller’s true up to actual activity for yearly or quarterly information as provided herein shall not be evidence of material weakness or significant deficiency.

(d) Buyer shall treat Seller’s financial statements and other financial information provided under the terms of this Section 8.06 in strict confidence and, accordingly:

(i) Shall utilize such Seller financial information only for purposes of preparing, reviewing or certifying Buyer’s or any Buyer parent company financial statements, for making regulatory, tax or other filings required by law in which Buyer is required to demonstrate or certify its or any parent
company’s financial condition or to obtain credit ratings;

(ii) Shall make such Seller financial information available only to its officers, directors, employees or auditors who are responsible for preparing, reviewing or certifying Buyer’s or any Buyer parent company financial statements, to the SEC and the Public Company Accounting Oversight Board (United States) in connection with any oversight of Buyer’s or any Buyer parent company financial statement and to those Persons who are entitled to receive confidential information as identified in Section 10.10; and

(iii) Buyer shall ensure that its internal auditors and independent registered public accounting firm (1) treat as confidential any information disclosed to them by Buyer pursuant to this Section 8.06, (2) use such information solely for purposes of conducting the audits described in this Section 8.06, and (3) disclose any information received only to personnel responsible for conducting the audits.

(e) If the Financial Consolidation Requirement is applicable, then, within two Business Days following the occurrence of any event from the Effective Date through the last day of the Term affecting Seller which Seller would be required to disclose in a Form 8-K filing with the SEC if Seller was subject to the form 8-K filing requirements, Seller shall provide to Buyer a Notice describing such event in sufficient detail to permit Buyer to make a Form 8-K filing.

(f) If, after consultation and review, the Parties do not agree on issues raised by Section 8.06(a), then such dispute shall be subject to review by another independent audit firm not associated with either Party’s respective independent registered public accounting firm, reasonably acceptable to both Parties. This third independent audit firm will render its recommendation on whether consolidation by Buyer is required. If the independent audit firm associated with Buyer still determines, after review by the third party independent audit firm, that Buyer must consolidate, then Seller shall provide the financial information necessary to permit consolidation to Buyer; provided, however, that in addition to the protections in Section 8.06(d), such information shall be password protected and available only to those specific officers, directors, employees and auditors who are preparing and certifying the consolidated financial statements and not for any other purpose.

*** End of ARTICLE EIGHT ***
ARTICLE NINE. GOVERNMENTAL CHARGES

9.01 Cooperation to Minimize Tax Liabilities.

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.02 Governmental Charges.

Seller shall pay or cause to be paid all taxes imposed by any Governmental Authority (“Governmental Charges”) on or with respect to the Metered Amounts (and any contract associated with the Metered Amounts) arising before the Delivery Point, including ad valorem taxes and other taxes attributable to the Generating Facility, land, land rights or interests in land for the Generating Facility.

SCE shall pay or cause to be paid all Governmental Charges on or with respect to the Metered Amounts at and from the Delivery Point. If Seller is required by law or regulation to remit or pay Governmental Charges which are SCE’s responsibility hereunder, SCE shall promptly reimburse Seller for such Governmental Charges.

If SCE is required by law or regulation to remit or pay Governmental Charges which are Seller’s responsibility hereunder, SCE may deduct such amounts from monthly Product Payments to Seller made pursuant to Exhibit E.

If SCE elects not to deduct such amounts from Seller’s monthly Product Payments, Seller shall promptly reimburse SCE for such amounts upon SCE’s Payment Invoice request. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which that Party is exempt under the law.

9.03 Providing Information to Taxing Authorities.

Seller or SCE, as necessary, shall provide information concerning the Generating Facility to any requesting taxing authority.

*** End of ARTICLE NINE ***
ARTICLE TEN. MISCELLANEOUS

10.01 Representations and Warranties.

On the Effective Date, each Party represents and warrants to the other Party that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) Except for CPUC Approval in the case of SCE, and all Permits in the case of Seller, it has or will timely acquire all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(d) This Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(e) There is not pending, or to its knowledge, threatened against it or, in the case of Seller, any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform under this Agreement;

(f) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(g) It is acting for its own account and its decision to enter into this Agreement is based upon its own judgment, not in reliance upon the advice or recommendations of the other Party and it is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Agreement;

(h) It has not relied upon any promises, representations, statements or information of any kind whatsoever that are not contained in this Agreement in deciding to enter into this Agreement.

10.02 Additional Seller Representations, Warranties and Covenants.

(a) Seller hereby covenants to SCE that throughout the Delivery Term:

(i) Seller shall own and Operate the Generating Facility;

(ii) Seller shall deliver to SCE the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person;

(iii) Seller shall hold the rights to all Green Attributes, Capacity Attributes and Resource Adequacy Benefits, which Seller has conveyed and has committed to convey to SCE hereunder;
(iv) Seller shall obtain, maintain and remain in compliance with all Permits, interconnection agreements and transmission rights necessary to Operate the Generating Facility and to deliver electric energy from the Generating Facility to the Delivery Point;

(v) Subject to Section 1.08, Seller shall take all actions necessary for the Project to qualify and be certified by the CEC as an ERR; and

(vi) Subject to Section 1.08, Seller shall take all actions necessary for the Product delivered to SCE to qualify under the requirements of the California Renewables Portfolio Standard.

(b) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that:

(i) The Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and

(ii) The Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard.

To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(c) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(d) The term “commercially reasonable efforts” as used in Section 10.02(b) and Section 10.02(c) means efforts consistent with and subject to Section 1.08. [The term “change in law” as used in Section 10.02(b) and Section 10.02(c) does not include an invalidation, rescission or change in terms of the CAISO Exemption nor any disapproval, disallowance, or other change in policy by WREGIS, the CEC or the CPUC with regards to the RECs as a result of the Shared Facilities’ metering scheme.] {SCE Comment: Bracketed language only applies to projects that utilize Shared Facilities.}
§10.03 Miscellaneous

(e) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

(f) Seller hereby represents and warrants that, as of the Effective Date, it has no knowledge of any plans by SCE or another Transmission Provider to seek to construct a transmission or distribution line through or on the Site.

(g) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term the Project qualifies as a Green-e® Energy Certified product. [SCE Comment: For GTSR Projects only]

10.03 Indemnity.

(a) SCE’s Indemnification Obligations.

In addition to any other indemnification obligations SCE may have elsewhere in this Agreement, which are hereby incorporated in this Section 10.03(a), SCE releases, and shall indemnify, defend and hold harmless Seller, and Seller’s directors, officers, employees, agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, fine, penalty or expense of any kind or nature (including any direct, damage, claim, cost, charge, demand, or expense, and attorneys’ fees (including cost of in-house counsel) and other costs of litigation, arbitration and mediation, and in the case of third-party claims only, indirect and consequential loss or damage of such third-party), arising out of or in connection with:

(i) any breach made by SCE of its representations and warranties in Sections 10.01 and 10.02; and

(ii) so long as Seller has fully complied with the Generator Operator Obligations and Generator Owner Obligations, any NERC Standards Non-Compliance Penalties which are solely due to SCE’s negligence in performing its role as Seller’s Scheduling Coordinator throughout the Delivery Term.

This indemnity applies notwithstanding Seller’s active or passive negligence. However, Seller will not be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand or expense to the extent caused by its gross negligence or willful misconduct.

(b) Seller’s Indemnification Obligations.

In addition to any other indemnification obligations Seller may have elsewhere in this Agreement, which are hereby incorporated in this Section 10.03(b), Seller releases, and shall indemnify, defend and hold harmless SCE, and SCE’s directors, officers, employees, agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand,
penalty, fine or expense of any kind or nature (including any direct, damage, claim, cost, charge, demand, or expense, and attorneys’ fees (including cost of in-house counsel) and other costs of litigation, arbitration or mediation, and in the case of third-party claims only, including claims arising from a breach of Section 10.02(b), indirect or consequential loss or damage of such third-party), arising out of or in connection with:

(i) any breach made by Seller of its representations and warranties in Sections 10.01 and 10.02;

(ii) Seller’s failure to fulfill its obligations regarding Resource Adequacy Benefits as set forth in Section[s] 3.01 and 3.02;

(iii) NERC Standards Non-Compliance Penalties or an attempt by any Governmental Authority, person or entity to assess such NERC Standards Non-Compliance Penalties against SCE, except to the extent solely due to SCE’s negligence in performing its role as Seller’s Scheduling Coordinator throughout the Delivery Term;

(iv) injury or death to persons, including SCE employees, and physical damage to property, including SCE property, where the damage arises out of, is related to, or is in connection with, Seller’s construction, ownership or Operation of the Generating Facility, or obligations or performance under this Agreement;

(v) injury or death to any person or damage to any property, including the personnel or property of SCE, to the extent that SCE would have been protected had Seller complied with all of the provisions of Section 10.11; provided, the inclusion of this Section 10.03(b)(v) is not intended to create any express or implied right in Seller to elect not to provide the insurance required under Section 10.11;

(vi) any breach by Seller of the covenants set forth in Section 2.04(b);

(vii) the disqualification by WREGIS or any Governmental Authority of any Renewable Energy Credits transferred to SCE, or the failure to transfer any Renewable Energy Credits to Buyer within four (4) months after the generation of the associated Metered Amounts. [;or

(viii) any penalties, sanctions or fines imposed by CAISO as a result of the inaccuracy or recalibration of the CAISO Approved Meter(s).] {SCE Comment: Bracketed language only applicable to projects that utilize a shared transformer.]

This indemnity applies notwithstanding SCE’s active or passive negligence. However, SCE will not be indemnified under Section 10.03(b)(i) through Section 10.03(b)(iv) for its loss, liability, damage, claim, cost, charge, demand or expense to the extent caused by its gross negligence or willful misconduct.
(c) **Mutual Indemnification.**

Each Party shall indemnify, defend and hold harmless the other Party and the other Party’s directors, officers, employees, agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, fine, penalty or expense of any kind or nature (including direct, indirect, or consequential loss, damage, claim, cost, charge, demand, or expense, including attorneys’ fees (including costs of in-house counsel) and other costs of litigation, arbitration or mediation), arising out of or in connection with a Party’s failure to pay any Governmental Charges for which such Party is responsible under Article Nine.

(d) **Indemnification Claims.**

All claims for indemnification by a Party entitled to be indemnified under this Agreement (an “Indemnified Party”) by the other Party (the “Indemnitor”) will be asserted and resolved as follows:

(i) If a claim or demand for which an Indemnified Party may claim indemnity is asserted against or sought to be collected from an Indemnified Party by a third party, the Indemnified Party shall as promptly as practicable give Notice to the Indemnitor; provided, failure to provide this Notice will relieve Indemnitor only to the extent that the failure actually prejudices Indemnitor.

(ii) Indemnitor will have the right to control the defense and settlement of any claims in a manner not adverse to Indemnified Party but cannot admit any liability or enter into any settlement without Indemnified Party’s approval.

(iii) Indemnified Party may employ counsel at its own expense with respect to any claims or demands asserted or sought to be collected against it; provided, if counsel is employed due to a conflict of interest or because Indemnitor does not assume control of the defense, Indemnitor will bear the expense of this counsel.

(e) **Survival of Indemnification Rights and Obligations.**

All indemnity rights and obligations survive the termination of this Agreement for twelve (12) months.

10.04 **Assignment.**

(a) Except as provided in Section 10.05, neither Party can assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

(b) Any direct or indirect change of control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of SCE, which consent shall not be unreasonably withheld.
10.05 **Consent to Collateral Assignment.**

Subject to the provisions of this Section 10.05, Seller has the right to assign this Agreement as collateral for any financing or refinancing of the Generating Facility; provided, Seller shall be responsible for SCE’s reasonable costs associated with the preparation, review, execution and delivery of documents in connection with any such assignment, including without limitation attorneys’ fees.

In connection with any financing or refinancing of the Generating Facility by Seller, SCE shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement (“Collateral Assignment Agreement”).

The Collateral Assignment Agreement must be in form and substance agreed to by SCE, Seller and Lender, and, unless otherwise agreed, must include, among others, the following provisions:

(a) SCE shall give Notice of an Event of Default by Seller, to the person(s) to be specified by Lender in the Collateral Assignment Agreement, before exercising its right to terminate this Agreement as a result of such Event of Default;

(b) Following an Event of Default by Seller under this Agreement, SCE may require Seller or Lender to provide to SCE a report concerning:

(i) The status of efforts by Seller or Lender to develop a plan to cure the Event of Default;

(ii) Impediments to the cure plan or its development;

(iii) If a cure plan has been adopted, the status of the cure plan’s implementation (including any modifications to the plan as well as the expected timeframe within which any cure is expected to be implemented); and

(iv) Any other information which SCE may reasonably require related to the development, implementation and timetable of the cure plan.

Seller or Lender must provide the report to SCE within ten (10) Business Days after Notice from SCE requesting the report. SCE will have no further right to require the report with respect to a particular Event of Default after that Event of Default has been cured;

(c) Lender will have the right to cure an Event of Default on behalf of Seller, only if Lender sends a written notice to SCE before the end of any cure period indicating Lender’s intention to cure. Lender must remedy or cure the Event of Default within the cure period under this Agreement; provided, such cure period may, in SCE’s sole discretion, be extended by no more than an additional one hundred eighty (180) days;
(d) Lender will receive prior Notice of and the right to approve material amendments to this Agreement, which approval will not be unreasonably withheld, delayed or conditioned;

(e) If Lender, directly or indirectly, takes possession of, or title to the Generating Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), Lender must assume all of Seller’s obligations arising under this Agreement and all related agreements (subject to such limits on liability as are mutually agreed to by Seller, SCE and Lender as set forth in the Collateral Assignment Agreement); provided, before such assumption, if SCE advises Lender that SCE will require that Lender cure (or cause to be cured) any Event of Default existing as of the possession date in order to avoid the exercise by SCE (in its sole discretion) of SCE’s right to terminate this Agreement with respect to such Event of Default, then Lender at its option, and in its sole discretion, may elect to either:

(i) Cause such Event of Default to be cured, or

(ii) Not assume this Agreement;

(f) If Lender elects to sell or transfer the Generating Facility (after Lender directly or indirectly, takes possession of, or title to the Generating Facility), or sale of the Generating Facility occurs through the actions of Lender (for example, a foreclosure sale where a third party is the buyer, or otherwise), then Lender must cause the transferee or buyer to assume all of Seller’s obligations arising under this Agreement and all related agreements as a condition of the sale or transfer. 

Such sale or transfer may be made only to an entity with a tangible net worth of at least [Dollar amount text] dollars ([$[Number]] {SCE Comment: SCE to provide amount based on size of the Project}) and at least three (3) years of experience operating a generating plant of similar technology and similar size; and

(g) If this Agreement is rejected in Seller’s Bankruptcy or otherwise terminated in connection therewith and if Lender or its designee, directly or indirectly, takes possession of, or title to, the Generating Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), Lender must itself or must cause its designee to promptly enter into a new agreement with SCE having substantially the same terms as this Agreement.

10.06 Abandonment.

Seller may not relinquish its possession and control of the Generating Facility without the prior written consent of SCE except under circumstances provided for in Sections 10.04 and 10.05.

For purposes of this Section 10.06, Seller will have been deemed to relinquish possession of the Generating Facility if Seller has ceased all activities related to Operation of the Generating Facility for a consecutive thirty (30) day period and such cessation is not a result of Force Majeure.
10.07 Governing Law.

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.08 Notices.

All notices, requests, invoices, statements or payments must be made as specified in Exhibit C.

Notices (other than Forecasts, scheduling requests and curtailment (or equivalent) instructions) must, unless otherwise specified herein, be in writing and may be delivered by hand delivery, first class United States mail, overnight courier service, e-mail or facsimile. Notices of curtailment (or equivalent orders) may be oral or written and must be made in accordance with accepted industry practices for such notices.

Notice provided in accordance with this Section 10.08 will be deemed given as follows:

(a) Notice by e-mail, facsimile or hand delivery will be deemed given at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise will be deemed given at the close of business on the next Business Day;

(b) Notice by overnight United States mail or courier service will be deemed given on the next Business Day after such Notice was sent out;

(c) Notice by first class United States mail will be deemed given two (2) Business Days after the postmarked date;

(d) Notice of curtailment will be deemed given on the date and time made by SCE and will be effective immediately.

Notices will be effective on the date deemed given, unless a different date for the Notice to go into effect is stated in another section of this Agreement.

A Party may change its designated representatives, addresses and other contact information by providing Notice of same in accordance herewith.

All Notices, requests, invoices, statements or payments related to this Agreement or the Generating Facility must reference the RAP ID and clearly identify the fact, circumstance, request, issue, dispute or matter to which such Notice relates.

10.09 General.

(a) This Agreement constitutes the entire agreement between the Parties relating to its subject matter.

The contents of this document are subject to restrictions on disclosure as set forth herein.
(b) This Agreement will be considered for all purposes as prepared through the joint efforts of the Parties and may not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

(c) Except to the extent provided for herein, no amendment or modification to this Agreement will be enforceable unless reduced to a writing signed by all Parties.

(d) This Agreement does not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement).

(e) Waiver by a Party of any default by the other Party may not be construed as a waiver of any other default.

(f) The term “including” when used in this Agreement is by way of example only and may not be considered in any way to be in limitation.

(g) The word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise.

(h) The headings used in this Agreement are for convenience and reference purposes only. Words having well-known technical or industry meanings have these meanings unless otherwise specifically defined in this Agreement.

(i) Where days are not specifically designated as Business Days, they will be considered as calendar days.

(j) This Agreement is binding on each Party’s successors and permitted assigns.

(k) No provision of this Agreement is intended to contradict or supersede any agreement or Applicable Laws covering transmission, distribution, metering, scheduling or interconnection, including the interconnection agreement or the CAISO Tariff. In the event of an apparent contradiction between this Agreement and any such agreement or Applicable Laws, such agreement or Applicable Law controls.

(l) Whenever this Agreement specifically refers to any law, tariff, government department or agency, regional reliability council, Transmission Provider, or credit rating agency, the Parties hereby agree that the reference also refers to any successor to such law, tariff or organization.

(m) SCE has assigned a RAP ID number to this Agreement for tracking purposes only.

(n) The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a “forward contract” within the meaning of the Bankruptcy Code and that SCE and Seller are each “forward contract merchants” within the meaning of the Bankruptcy Code.

(o) This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken
together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF) or by other electronic means constitutes effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

(p) Each Party shall act in good faith in its performance under this Agreement.

(q) All dollar amounts set forth in this Agreement are in U.S. dollars.

10.10 Confidentiality.

(a) Terms and Conditions of this Agreement.

Neither Party shall disclose Confidential Information to a third party, other than:

(i) To such Party’s, or its upstream parents’ (which, in the case of SCE, is Edison International), employees, Lenders, counsel, accountants, advisors or investors, in each case who have a need to know such information and have agreed to keep such terms confidential;

(ii) To potential Lenders with the consent of SCE, which consent will not be unreasonably withheld;

(iii) By either Party (the “Disclosing Party”), to participants of SCE’s Procurement Review Group, as defined in CPUC Decision 02-08-071, subject to any confidentiality agreements or laws, regulations or regulatory decisions concerning confidentiality which are applicable to SCE’s Procurement Review Group; provided, Seller may only disclose to such entities Confidential Information that is information on the bid and negotiation process of SCE’s RPS solicitation; provided further, with respect to non-CPUC PRG participants, neither Party may disclose Confidential Information to such third parties unless and until a written confidentiality or non-disclosure agreement is fully executed between the Disclosing Party and such third-party disclosee. Seller shall provide Notice to SCE of any disclosure by Seller of Confidential Information pursuant to this Section 10.10(a)(iii) of this Agreement.

(iv) By either Party, to the CPUC under seal for purposes of review subject to such Disclosing Party making reasonable efforts to obtain confidentiality protection from the CPUC under Section 583 of the California Public Utilities Code or other statute, order or rule offering comparable confidentiality protection; provided, except as set forth in Sections 10.10(a)(vii), 10.10(a)(viii) and 10.10(b), as applicable, Seller may only disclose to the CPUC Confidential Information that is information on the bid and negotiation process of SCE’s RPS solicitation. Seller shall provide Notice to SCE of any disclosure by Seller of Confidential Information pursuant to this Section 10.10(a)(iv) of this Agreement.
(v) To the CAISO or as otherwise may reasonably be required in order to participate in any auction, market or other process pertaining to the allocation of priorities or rights related to the transmission of electric energy sold or to be sold to SCE hereunder;

(vi) In order to comply with any Applicable Law or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the Disclosing Party, other than to those entities set forth in Section 10.10(a)(vii);

(vii) In order to comply with any applicable regulation, rule, or order of the CPUC, CEC, FERC, any court, administrative agency, legislative body or other tribunal, or any mandatory discovery or data request of a party to any proceeding pending before any of the foregoing;

(viii) To any governmental body, the CPUC, the CAISO or any local control area or regional authority having jurisdiction in order to support SCE’s Resource Adequacy Requirement showings, if applicable; provided, SCE shall, to the extent reasonable, use reasonable efforts to limit the ability of any such applicable governmental body, CAISO, local control area or regional authority to further disclose such information;

(ix) As may reasonably be required to participate in the WREGIS or other process recognized under Applicable Laws for the registration, transfer or ownership of Green Attributes associated with the Generating Facility;

(x) To representatives of a Party’s credit ratings agencies:

(1) Who have a need to review the terms and conditions of this Agreement for the purpose of assisting the Party in evaluating this Agreement for credit rating purposes and have agreed to keep this information confidential; or

(2) With respect to the potential impact of this Agreement on the Party’s financial reporting obligations;

(xi) Disclosure of terms specified in and pursuant to Section 10.10(c);

(xii) In connection with discovery requests or orders pertaining to the non-public terms of this Agreement as referenced in Sections 10.10(a)(vi) and 10.10(a)(vii) (“Disclosure Order”) each Party shall, to the extent practicable, use reasonable efforts to:

(1) Notify the other Party before disclosing the Confidential Information; and

(2) Prevent or limit such disclosure.

After using such reasonable efforts, the Disclosing Party will not be:

(3) Prohibited from complying with a Disclosure Order; or
(4) Liable to the other Party for monetary or other damages incurred in connection with the disclosure of the Confidential Information.

Except as provided in the preceding sentence, the Parties are entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation.

(b) Non-Disclosure Agreement.

(i) The Parties acknowledge and agree that information provided by the Parties pursuant to this Agreement will be subject to the Non-Disclosure Agreement, or to any other agreement that the Parties negotiate to provide reasonable protection for their confidential business information or trade secrets.

(ii) Confidential Information may only be used for the purposes set forth under the Non-Disclosure Agreement and for the purpose of implementing and enforcing this Agreement.

(c) RPS Confidentiality.

Notwithstanding Section 10.10(a), at any time on or after the Effective Date, either Party shall be permitted to disclose the following terms with respect to this Agreement:

(i) Party names;
(ii) ERR type;
(iii) Term;
(iv) Generating Facility location;
(v) Contract Capacity;
(vi) Forecasted Commercial Operation Date;
(vii) Delivery Point; and
(viii) Generating Facility’s expected energy deliveries.

10.11 Insurance.

(a) Starting on the Effective Date and throughout the Delivery Term of this Agreement and for such additional periods as may be specified below, Seller, and to the extent not covered by the Seller’s insurance policies, its contractors and subcontractors, shall, at their own expense, provide and maintain in effect the insurance policies and minimum limits of coverage specified below, and such additional coverage as may be required by applicable law, with insurance companies which are authorized to do business in the state in which the services are to be performed and which have an A.M. Best’s Insurance Rating of not less than A-:VII. The minimum insurance requirements specified herein do not in any way limit or relieve Seller of any obligation assumed elsewhere in this

The contents of this document are subject to restrictions on disclosure as set forth herein.
Agreement, including, but not limited to, Seller’s defense and indemnity obligations.

(i) **Workers’ Compensation Insurance** with the statutory limits required by the state having jurisdiction over Seller’s employees;

(ii) **Employer’s Liability Insurance** with limits of not less than:

1. Bodily injury by accident – One Million dollars ($1,000,000) each accident
2. Bodily injury by disease – One Million dollars ($1,000,000) policy limit
3. Bodily injury by disease – One Million dollars ($1,000,000) each employee

(iii) **Commercial General Liability Insurance**, (which, except with the prior written consent of SCE and subject to subsections 10.11(a)(iii)(1) and 10.11(a)(iii)(2) below, shall be written on an “occurrence,” not a “claims-made” basis), covering all operations by or on behalf of Seller arising out of or connected with this Agreement, including coverage for bodily injury, property damage, personal and advertising injury, products/completed operations, and contractual liability. Such insurance shall bear a per occurrence limit of not less than One Million dollars ($1,000,000), and annual aggregate of not less than Two Million dollars ($2,000,000), exclusive of defense costs, for all coverages. Such insurance shall contain standard cross-liability and severability of interest provisions.

If Seller elects, with SCE’s written concurrence, to use a “claims made” form of Commercial General Liability Insurance, then the following additional requirements apply:

1. The retroactive date of the policy must be prior to the Effective Date; and
2. Either the coverage must be maintained for a period of not less than four (4) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than four (4) years after the Agreement terminates.

(iv) **Commercial Automobile Liability Insurance** covering bodily injury and property damage with a combined single limit of not less than One Million dollars ($1,000,000) per occurrence. Such insurance shall cover liability arising out of Seller’s use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement.

(v) **Pollution Liability Insurance**, (which, except with the prior written consent of SCE and subject to subsections 10.11(a)(v)(1) and 10.11(a)(v)(2)
below, shall be written on an “occurrence,” not a “claims-made” basis) with limits of not less than \[\_
\] Million dollars ($\[\_
\],000,000) \{SCE Comment: Amount will be capped at $5 million\} per occurrence or each
claim and in the annual aggregate, covering losses involving hazardous material(s) and caused by pollution incidents or conditions that arise from the operations of the Seller, including but not limited to, coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death, property damage including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically damaged or destroyed, and defense costs.

If Sellerelects, with SCE’s written concurrence, to use a “claims made” form of Commercial General Liability Insurance, then the following additional requirements apply:

(1) The retroactive date of the policy must be prior to the Effective Date; and

(2) Either the coverage must be maintained for a period of not less than three (3) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than three (3) years after the Agreement terminates.

(vi) **Umbrella/Excess Liability Insurance**, written on an “occurrence,” not a “claims-made” basis, providing coverage excess of the underlying Employer’s Liability, Commercial General Liability, Commercial Automobile Liability and Pollution Liability insurance, on terms at least as broad as the underlying coverage, with limits of not less than \[\_
\] Million dollars ($\[\_
\],000,000) \{SCE Comment: Amount will be equal to $1 million per MW of Contract Capacity, capped at $20 million\} per occurrence and in the annual aggregate. The insurance requirements of this Section 10.11 can be provided by any combination of Seller’s primary and excess liability policies.

If Sellerelects, with SCE’s written concurrence, to use a “claims made” form of Umbrella/Excess Liability Insurance, then the following additional requirements apply:

(1) The retroactive date of the policy must be prior to the Effective Date; and

(2) Either the coverage must be maintained for a period of not less than three (3) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than three (3) years after the Agreement terminates.

(b) The insurance required above shall apply as primary insurance to, without a right of contribution from, any other insurance maintained by or afforded to SCE, its
subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, and employees, regardless of any conflicting provision in Seller's policies to the contrary. To the extent permitted by law, Seller and its insurers shall be required to waive all rights of recovery from or subrogation against SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees and insurers. The Commercial General Liability, the Commercial Automobile Liability Policy, the Pollution Liability and the Umbrella/Excess Liability insurance required above shall include, either by policy terms and conditions or by endorsement, SCE, its parent, subsidiaries and affiliates, and their respective officers, directors, shareholders, agents and employees, assigns, and successors in interest, as additional insureds for liability arising out of Seller’s construction, ownership or Operation of the Generating Facility, or obligations or performance, under this Agreement.

(c) All policies required by Sections 10.11(a)(i) through 10.11(a)(vi) shall be written on a “per project” or “per contract” basis.

(d) Within ten (10) Business Days after the Effective Date, and within ten (10) Business Days after coverage is renewed or replaced, Seller shall furnish to SCE the entire policy forms, including endorsements, and certificates of insurance evidencing the coverage required above, written on forms and with deductibles reasonably acceptable to SCE. All deductibles and co-insurance retentions applicable to the insurance above shall be paid by Seller. Seller, or its insurance broker or agent, shall provide SCE with at least thirty (30) days’ prior written notice in the event of cancellation of coverage. SCE’s receipt of certificates that do not comply with the requirements stated herein, or Seller’s failure to provide certificates, shall not limit or relieve Seller of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 10.11 and shall not constitute a waiver of any of the requirements in this Section 10.11.

(e) Seller agrees to report to SCE in writing within ten (10) Business Days following all accidents or occurrences resulting in bodily injury to any person, and to any property where such property damage is greater than $100,000.

(f) If Seller fails to comply with any of the provisions of this Section 10.11, Seller, among other things and without restricting SCE’s remedies under the law or otherwise, shall, at its own cost and expense, act as an insurer and provide insurance in accordance with the terms and conditions above. With respect to the required Commercial General Liability, Umbrella/Excess Liability, Pollution Liability and Commercial Automobile Liability insurance, Seller shall provide a current, full and complete defense to SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third-party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above. In addition, alleged violations of the provisions of this Section 10.11 means that Seller has the initial burden of proof.
regarding any legal justification for refusing or withholding coverage and Seller shall face the same liability and damages as an insurer for wrongfully refusing or withholding coverage in accordance with the laws of California.

10.12 **Nondedication.**

Notwithstanding any other provisions of this Agreement, neither Party dedicates any of the rights that are or may be derived from this Agreement or any part of its facilities involved in the performance of this Agreement to the public or to the service provided under this Agreement, and this service shall cease upon termination of this Agreement.

10.13 **Mobile Sierra.**

Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in the next paragraph below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall be the ‘public interest’ standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish 554 U.S. 527 (2008).

Notwithstanding any provision of Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by Applicable Laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any Section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.

10.14 **Simple Interest Payments.**

Except as specifically provided in this Agreement, any outstanding and past due amounts owing and unpaid by either Party under the terms of this Agreement will be eligible to receive a Simple Interest Payment calculated using the Interest Rate for the number of days between the date due and the date paid.

10.15 **Payments.**

Payments to be made under this Agreement must be made by wire transfer.

10.16 **Seller Ownership and Control of Generating Facility.**

Seller agrees, that, in accordance with FERC Order No. 697, upon request of SCE, Seller shall submit a letter of concurrence in support of any affirmative statement by SCE that the contractual arrangement set forth in this Agreement does not transfer “ownership or
control of generation capacity” from Seller to SCE as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller also agrees that it will not, in filings, if any, made subject to FERC Order Nos. 652 and 697, claim that the contractual arrangement set forth in this Agreement conveys ownership or control of generation capacity from Seller to SCE.

10.17 Required Material.

Seller acknowledges and agrees that, notwithstanding anything to the contrary set forth herein, any review, approval, request, or requirement of any Required Material shall mean only that such Required Material is acceptable to SCE solely for SCE’s internal purposes and benefit, and will not in any way be construed to mean that such Required Material is accurate, suitable for its intended purpose, in compliance with any Applicable Law or other requirement, or endorsed for the benefit of any other party, including Seller. Further, Seller acknowledges and agrees that SCE shall have no liability to Seller or any other third party with respect to any Required Material so reviewed, approved, requested or required by SCE or on SCE’s behalf.

10.18 Shared Facilities and Portfolio Financing Acknowledgements, Etc.

(a) SCE acknowledges and agrees that, subject to the terms and conditions set forth in this Agreement, (i) Seller has represented to SCE that the Shared Facilities are, or will or may be, subject to sharing and common ownership, use and financing arrangements between Seller and the Other Seller(s), and (ii) all such arrangements, including any and all related rights, liabilities, obligations and financings (including any pledge or collateral assignments in connection with such arrangements) shall be permitted by, and are not in conflict with, and do not give rise to any default under, this Agreement.

(b) SCE acknowledges and agrees that, subject to the terms and conditions set forth in this Agreement, (i) Seller has represented to SCE that Seller may elect to finance all or any portion of the Generating Facility, along with the Other Seller(s) (or the Other Generating Facility(ies) or the Shared Facilities, on a Portfolio or other aggregated basis, which may include cross-collateralization or similar arrangements requested by Lenders to enable such financing, and (ii) all such arrangements are not in conflict with, and do not give rise to any default under, this Agreement.

(c) The Parties shall cooperate with one another as may be reasonably requested by the other Party to provide such further approvals or acknowledgements in connection with Sections 10.18(a) and (b).

[SCE Comment: Language applicable to projects that utilize Shared Facilities.]

*** End of ARTICLE TEN ***
ARTICLE ELEVEN. CHANGE IN ELECTRIC MARKET DESIGN

If a Change in CAISO Tariff renders this Agreement or any terms herein incapable of being performed or administered, then either Party, on Notice, may request the other Party to enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens and obligations set forth in this Agreement as of the Effective Date.

Upon receipt of a Notice requesting negotiations, the Parties shall negotiate in good faith.

If the Parties are unable, within sixty (60) days after the sending of the Notice requesting negotiations, either to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then either Party may submit issues pertaining to changes to this Agreement to mediation and arbitration as provided in Article Twelve.

A change in cost will not in itself be deemed to render this Agreement or any terms therein incapable of being performed or administered, or constitute, or form the basis of, a Force Majeure event.

*** End of ARTICLE ELEVEN ***
ARTICLE TWELVE. MEDIATION AND ARBITRATION

12.01 Dispute Resolution.

Other than requests for provisional relief under Section 12.04, any and all Disputes which the Parties have been unable to resolve by informal methods after undertaking a good faith effort to do so, must first be submitted to mediation under the procedures described in Section 12.02 below, and if the matter is not resolved through mediation, then for final and binding arbitration under the procedures described in Section 12.03 below.

The Parties waive any right to a jury and agree that there will be no interlocutory appellate relief (such as writs) available. Any Dispute resolution process shall be commenced no later than one (1) year from the date the Dispute occurred; provided, if the facts giving rise to the Dispute were not reasonably capable of being discovered at the time of their occurrence, then no later than one (1) year from the earliest date that such facts were reasonably capable of being discovered, and in no event more than four (4) years after the Dispute occurred. If any Dispute resolution process pursuant to Article Twelve with respect to a Dispute is not commenced within such one (1) year time period, such Dispute shall be waived and forever barred, without regard to any other limitations period set forth by law or statute.

12.02 Mediation.

Either Party may initiate mediation by providing Notice to the other Party in accordance with Section 10.08 of a written request for mediation, setting forth a description of the Dispute and the relief requested.

The Parties will cooperate with one another in selecting the mediator (“Mediator”) from the panel of neutrals from Judicial Arbitration and Mediation Services, Inc. (“JAMS”), its successor, or any other mutually acceptable non-JAMS Mediator, and in scheduling the time and place of the mediation.

Such selection and scheduling will be completed within forty-five (45) days after Notice of the request for mediation.

Unless otherwise agreed to by the Parties, the mediation will not be scheduled for a date that is greater than one hundred twenty (120) days from the date of Notice of the request for mediation.

The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the mediation, which fees and costs will be borne by such Party).

All offers, promises, conduct and statements, whether oral or written, made in connection with or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator’s agents, representatives and employees, will not be subject to discovery and will be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or
other proceeding between or involving the Parties, or either of them, provided, evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-
discoverable as a result of its use in the mediation.

12.03 Arbitration.

Either Party may initiate binding arbitration with respect to the matters first submitted to mediation by providing Notice in accordance with Section 10.08 of a demand for binding arbitration before a single, neutral arbitrator (the “Arbitrator”) within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 12.02, above. If Notice of arbitration is not provided by either Party within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 12.02 above, the Dispute resolution process shall be deemed complete and further resolution of such Dispute shall be barred, without regard to any other limitations period set forth by law or statute.

The Parties will cooperate with one another in selecting the Arbitrator within sixty (60) days after Notice of the demand for arbitration and will further cooperate in scheduling the arbitration to commence no later than one hundred eighty (180) days from the date of Notice of the demand.

If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually-acceptable Arbitrator, the Arbitrator will be appointed as provided for in California Code of Civil Procedure Section 1281.6.

To be qualified as an Arbitrator, each candidate must be a retired judge of a trial court of any state or federal court, or retired justice of any appellate or supreme court.

Unless otherwise agreed to by the Parties, the individual acting as the Mediator will be disqualified from serving as the Arbitrator in the dispute, although the Arbitrator may be another member of the JAMS panel of neutrals or such other panel of neutrals from which the Parties have agreed to select the Mediator.

Upon Notice of a Party’s demand for binding arbitration, such Dispute submitted to arbitration, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by binding arbitration before the Arbitrator, in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

Except as provided for herein, the arbitration will be conducted by the Arbitrator in accordance with the rules and procedures for arbitration of complex business disputes for the organization with which the Arbitrator is associated.

Absent the existence of such rules and procedures, the arbitration will be conducted in accordance with the California Arbitration Act, California Code of Civil Procedure Section 1280 et seq. and California procedural law (including the Code of Civil Procedure, Civil Code, Evidence Code and Rules of Court, but excluding local rules).
Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration will be in Los Angeles County, California.

Also notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, discovery will be limited as follows:

(a) Before discovery commences, the Parties shall exchange an initial disclosure of all documents and percipient witnesses which they intend to rely upon or use at any arbitration proceeding (except for documents and witnesses to be used solely for impeachment);

(b) The initial disclosure will occur within thirty (30) days after the initial conference with the Arbitrator or at such time as the Arbitrator may order;

(c) Discovery may commence at any time after the Parties’ initial disclosure;

(d) The Parties will not be permitted to propound any interrogatories or requests for admissions;

(e) Discovery will be limited to twenty-five (25) document requests (with no subparts), three (3) lay witness depositions, and three (3) expert witness depositions (unless the Arbitrator holds otherwise following a showing by the Party seeking the additional documents or depositions that the documents or depositions are critical for a fair resolution of the Dispute or that a Party has improperly withheld documents);

(f) Each Party is allowed a maximum of three (3) expert witnesses, excluding rebuttal experts;

(g) Within sixty (60) days after the initial disclosure, or at such other time as the Arbitrator may order, the Parties shall exchange a list of all experts upon which they intend to rely at the arbitration proceeding;

(h) Within thirty (30) days after the initial expert disclosure, the Parties may designate a maximum of two (2) rebuttal experts;

(i) Unless the Parties agree otherwise, all direct testimony will be in form of affidavits or declarations under penalty of perjury; and

(j) Each Party shall make available for cross examination at the arbitration hearing its witnesses whose direct testimony has been so submitted.

Subject to Article Seven, the Arbitrator will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of the Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other
security, to specific performance and injunctive or other equitable relief as a remedy for a breach of Section 2.04(b), 3.01, [3.02,] 3.06(h), 3.09 or 10.10 of this Agreement.

Judgment on the award may be entered in any court having jurisdiction.

The Arbitrator must, in any award, allocate all of the costs of the binding arbitration (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the arbitration, which fees and costs will be borne by such Party), including the fees of the Arbitrator and any expert witnesses, against the Party who did not prevail.

Until such award is made, however, the Parties will share equally in paying the costs of the arbitration.

At the conclusion of the arbitration hearing, the Arbitrator shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Arbitrator’s decision is based. The Arbitrator shall also have the authority to resolve claims or issues in advance of the arbitration hearing that would be appropriate for a California superior court judge to resolve in advance of trial. The Arbitrator shall not have the power to commit errors of law or fact, or to commit any abuse of discretion, that would constitute reversible error had the decision been rendered by a California superior court. The Arbitrator’s decision may be vacated or corrected on appeal to a California court of competent jurisdiction for such error. Unless otherwise agreed to by the Parties, all proceedings before the Arbitrator shall be reported and transcribed by a certified court reporter, with each Party bearing one-half of the court reporter’s fees.

12.04 Provisional Relief.

The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of this Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy for a breach of Section 2.04(b), 3.01, [3.02,] 3.06(h), 3.09 or 10.10 of this Agreement in any court of competent jurisdiction, notwithstanding the obligation to submit all other disputes (including all claims for monetary damages under this Agreement) to arbitration pursuant to Section 12.01. The Parties further acknowledge and agree that the results of the arbitration may be rendered ineffectual without the provisional relief.

Such a request for provisional relief does not waive a Party’s right to seek other remedies for the breach of the provisions specified above in accordance with Section 12.01, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in this Agreement for the breach of the provision, or if the Agreement does not specify a remedy for the breach, all other remedies available at law or equity to the Parties for the breach.
*** End of ARTICLE TWELVE ***
In WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date first written:

[SELLER’S NAME],
a [Seller’s jurisdiction of organization and type of organization].

By: ________________________________
    [Name]
    [Title]
    Date: ______________________________

SOUTHERN CALIFORNIA EDISON COMPANY,
a California corporation.

By: ________________________________
    [Name]
    [Title]
    Date: ______________________________
EXHIBIT A
Definitions

The following terms shall have the following meaning for purposes of this Agreement.

“AC” means alternating current.

“Accepted Compliance Costs” has the meaning set forth in Section 1.08.

“Account Holder” has the meaning set forth in the WREGIS Operating Rules, as applicable to the Generating Facility as the Registered Generating Unit.

“Actual Availability Report” means a report to be prepared by Seller in the form of Exhibit N containing the information described in Section 3.22.

“Actual Available Capacity” means the sum of the capacity, in MWs, of all generating units of the Generating Facility that were available at the end of the Settlement Interval, as indicated by the Actual Availability Report.

{SCE Comment: All resources other than Solar Photovoltaic.}

“Actual Available Capacity” means the sum of the capacity, in MWs, of all Current Inverters of the Generating Facility that were available at the end of the Settlement Interval, as indicated by the Actual Availability Report.

{SCE Comment: Solar Photovoltaic only.}

“Affiliate” means, with respect to a Party, any entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with that Party.

“Affiliate Manager” has the meaning set forth in Section 3.05(a).

{SCE Comment: Language applicable to projects that utilize Shared Facilities.}

“Aggregate Network Upgrade Costs” has the meaning set forth in Section 2.03(b)(i).

“Agreement” has the meaning set forth in the Preamble.

“Annual Degradation Factor” has the meaning set forth in Section 1.01(j).

{SCE Comment: Solar Photovoltaic only.}

“Applicable Laws” means all constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority that apply to either or both of the Parties, the Generating Facility or the terms of this Agreement.

“Arbitrator” has the meaning set forth in Article Twelve.
“Availability Incentive Payments” has the meaning set forth in the CAISO Tariff.

“Availability Standards” has the meaning set forth in the CAISO Tariff.

“Availability Workbook” has the meaning set forth in Exhibit N.

“Bankrupt” means with respect to any entity, such entity:

(a) Files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it;

(b) Makes an assignment or any general arrangement for the benefit of creditors;

(c) Otherwise becomes bankrupt or insolvent (however evidenced);

(d) Has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to such entity or any substantial portion of its property or assets; or

(e) Is generally unable to pay its debts as they fall due.


“Bid” has the meaning as set forth in the CAISO Tariff.

“Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the Friday following Thanksgiving. A Business Day begins at 8:00 a.m. and end at 5:00 p.m. local time for the Party sending the Notice or payment or performing a specified action.

“Business Practice Manuals” or “BPMs” has the meaning as set forth in the CAISO Tariff.

“Buyer” means Southern California Edison Company.

“CAISO” means the California Independent System Operator Corporation or successor entity.

“CAISO Approved Meter” means a CAISO approved revenue quality meter or meters, CAISO approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, all electric energy produced by the Generating Facility less Station Use.

“CAISO-Controlled Grid” has the meaning as set forth in the CAISO Tariff.

“CAISO Costs” means the debits, costs, penalties and interest that are directly assigned by the CAISO to the CAISO Resource ID for the Generating Facility for, or attributable to, Scheduling
or deliveries from the Generating Facility under this Agreement in each applicable Settlement Interval.

“CAISO Exemption” means that certain exemption letter granted by the CAISO, or any successors thereto, that permits Seller to install the low-side metering scheme required by the Shared Transformer, as required under Section 10.2.10.3 of the CAISO Tariff.

“CAISO Exemption Cure Period” shall have the meaning set forth in Section 6.02(c). {SCE Comment: Language only applicable to projects that utilize a shared transformer.}

“CAISO Markets” has the meaning as set forth in the CAISO Tariff.

“CAISO Resource ID” means the number or name assigned by the CAISO to the CAISO Approved Meter.

“CAISO Revenues” means the credits and other payments incurred or received by SCE as a result of energy from the Generating Facility delivered to any CAISO administered market by Seller, including costs and revenues associated with CAISO dispatches, for each applicable Settlement Interval.

“CAISO Sanctions” means any sanctions directly assigned by the CAISO to Seller, the CAISO Resource ID or the Generating Facility.

“CAISO Tariff” means the California Independent System Operator Corporation Operating Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

“Calculation Period” has the meaning set forth in Section 3.07(a)(i).

“California Renewables Portfolio Standard” means the California Public Utilities Code Section 399.11, et seq.

“Capacity Attributes” means any and all current or future defined characteristics, certificates, tags, credits, ancillary service attributes, or accounting constructs, howsoever entitled, including any accounting construct counted toward any Resource Adequacy Requirements, attributed to or associated with the Generating Facility or any unit of generating capacity of the Generating Facility throughout the Delivery Term, including:

(a) resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward RAR;

(b) resource adequacy attributes or other locational attributes for the Generating Facility related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority having jurisdiction,

The contents of this document are subject to restrictions on disclosure as set forth herein.
associated with the physical location or point of electrical interconnection of the Generating Facility within the CAISO-Controlled Grid, that can be counted toward a Local RAR; and

(c) flexible capacity resource adequacy attributes for the Generating Facility, including, without limitation, the amount of EFC as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward Flexible RAR.

“Capacity Procurement Mechanism” or “CPM” has the meaning as set forth in the CAISO Tariff.

{SCE Comment: FCDS projects only.}

“CEC” means the California Energy Commission.

“CEC Certification” means certification by the CEC that the Generating Facility is an ERR for purposes of the RPS Legislation and that all electric energy produced by the Generating Facility qualifies as generation from an ERR for purposes of the RPS Legislation.

“CEC Pre-Certification” means provisional certification of the proposed Generating Facility as an ERR by the CEC upon submission by a facility of a complete CEC-RPS-1B application and required supplemental information.

“CEC Verification” means verification by the CEC based on ongoing reporting by Seller that the Generating Facility is an ERR for purposes of the RPS Legislation and that all electric energy produced by the Generating Facility qualifies as generation from an ERR for purposes of the RPS Legislation.

“CFR” means the Code of Federal Regulations, as may be amended from time to time.

“Change in CAISO Tariff” means that the CAISO Tariff has been changed and such change has a material adverse impact on either Party, or the CAISO has been dissolved or replaced and any successor to the CAISO operates under rules, protocols, procedures or standards that differ in a material respect from the CAISO Tariff, after the Effective Date.

“Check Meter” means the SCE revenue-quality meter section or meter, which SCE may require at its discretion, as set forth in Section 3.08(b), and which will include those devices normally supplied by SCE or Seller under the applicable utility electric service requirements.

“Claiming Party” has the meaning set forth in Section 5.02.

“Collateral Assignment Agreement” has the meaning set forth in Section 10.05.

“Commercial Operation” is the status of the Generating Facility upon Seller’s satisfaction of all of the conditions set forth in Section 2.02(b) and as of the Commercial Operation Date.
“Commercial Operation Date” has the meaning set forth in Section 2.02(b).

“Commercial Operation Deadline” has the meaning set forth in Section 1.03.

“Compliance Actions” has the meaning set forth in Section 1.08.

“Compliance Expenditure Cap” means the dollar amount set forth in Section 1.08.

“Confidential Information” shall mean (i) this Agreement, (ii) all oral or written communications exchanged between the Parties pursuant to this Agreement, except for communications and information described in Section 10.10(c) of this Agreement, and (iii) all oral or written communications exchanged between the Parties as part of, or arising out of, Seller’s Proposal (including the fact that Seller submitted a Proposal, and, the fact that SCE short-listed the Proposal).

“Construction Permits” means any permits issued by the Governmental Authority having jurisdiction that grant Seller the authority to develop and construct the Generating Facility on the Site. Construction Permits include conditional use permit and authority to construct.

“Contract Capacity” means the lesser of (i) the amount of electric energy generating capacity, set forth in Section 1.01(h), that Seller commits to install at the Site and (ii) the Demonstrated Contract Capacity.

“Control Area” means the electric power system (or combination of electric power systems) under the operational control of the CAISO or any other electric power system under the operational control of another organization vested with authority comparable to that of the CAISO.

“Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions, legal expenses and other similar third-party transaction costs and expenses reasonably incurred by that Party in entering into any new arrangement which replaces this Agreement.

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) Approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) Finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard.
CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

“Credit Rating” means with respect to any entity, on the relevant date of determination, the respective ratings then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third-party credit enhancement) by S&P, Fitch or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligation by S&P, Fitch or Moody’s, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned by the other two ratings agencies.

“Current Inverters” means devices used to convert DC electric energy to AC electric energy.

“Curtailed Product” or “CP” means energy that could have been delivered to the Delivery Point by Seller but which was not delivered (i) due to Seller’s curtailment in accordance with Section 3.12(g)(iii), or (ii) if the CAISO Tariff prohibits, without any action by the CAISO or any Transmission Provider, any electric generating facilities from delivery of energy in excess of its Schedule, any such energy that the Generating Facility was precluded from delivering. The amount of energy that could have been delivered will be determined in accordance with Section 3.21 and Exhibit K.

“Curtailed Product Payment” means, in each month, the sum of all payments for [(i)] Paid Curtailed Product, [and (ii) any lost Federal Production Tax Credits as set forth in Section 4.01(d)]. {SCE Comment: for Sellers that are eligible for the Federal Production Tax Credit}

“Curtailment Order” means an order from SCE to Seller to reduce or stop the delivery of electric energy from the Generating Facility to SCE for any reason except as set forth in Sections 3.12(g)(i)-(ii).

“Daily Delay Liquidated Damages” has the meaning set forth in Section 3.06(c).

“DC” means direct current.

“DC Collection System” means the DC equipment, cables, components, devices and materials that interconnect the Photovoltaic Modules with the Current Inverters.

“Defaulting Party” has the meaning set forth in Section 6.01.

“Delivery Network Upgrades” has the meaning forth in the CAISO Tariff, as applicable to the Generating Facility.
“Delivery Point” means the point of delivery of Product to the CAISO-Controlled Grid, as specified in Section 1.01(f) and set forth in the single-line diagram of the CAISO-Controlled Grid interconnection set forth in Exhibit B.

| SCE Comment: For a Generating Facility not directly connected to the CAISO-Controlled Grid, located outside the CAISO Control Area or connected to another transmission system operator, the Delivery Point will be the first point of interconnection with the CAISO-Controlled Grid. |

“Delivery Term” means the period beginning with the Commercial Operation Date and continuing throughout the end of the Term.

“Demonstrated Contract Capacity” means the Generating Facility’s total rated electric alternating current energy generating capacity

- which will equal the sum of the Inverter Block Unit Capacity of all Inverter Block Units in the Generating Facility

| SCE Comment: Solar Photovoltaic only. |

- which will equal the sum of the manufacturer’s nameplate ratings of all installed Wind Turbines, consistent with Prudent Electrical Practices and accepted industry standards, as indicated on the nameplates physically attached to the individual Wind Turbine generators,

| SCE Comment: Wind only. |

- which will equal the sum of the Metered Amounts for the Demonstration Hour,

| SCE Comment: All other technologies. |

as determined in accordance with Exhibit J.

“Demonstrated Installed DC Rating” means the sum of the Photovoltaic Module DC Ratings for all Photovoltaic Modules of the Generating Facility actually installed at the Site and verified by SCE pursuant to Exhibit J.

| SCE Comment: Solar Photovoltaic only. |

“Demonstration Date” has the meaning set forth in Exhibit J.

| SCE Comment: Intermittent only. |

“Demonstration Hour” has the meaning set forth in Exhibit J.

| SCE Comment: Baseload only. |

“Development Security” has the meaning set forth in Section 3.06(a).

“Disclosing Party” has the meaning set forth in Section 10.10.

“Disclosure Order” has the meaning set forth in Section 10.10.
“Dispatch Instruction” has the meaning forth in the CAISO Tariff.

“Dispute” means any and all disputes, claims or controversies arising out of, relating to, concerning or pertaining to the terms of this Agreement, or to either Party’s performance or failure of performance under this Agreement.

“Disqualified Stock” means any capital stock that, by its terms (or by the terms of any security into which such stock is convertible, or for which such stock is exchangeable, in each case at the option of the holder of the capital stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the capital stock, in whole or in part, on or before the date that is ninety-one (91) days after the expiration of the Term of this Agreement.

“Diverse Business Enterprises” means a women, minority, disabled veteran, lesbian, gay, bisexual and /or transgender business enterprise, as more particularly set forth in CPUC General Order 156.

“DLF” means a number that is a representation for all net electric energy losses or avoided losses, as filed by SCE at FERC, associated with the transmission of electric energy through the electric system from the high voltage side of the Generating Facility’s substation bus bar to the interface with the CAISO-Controlled Grid, also known as the distribution loss factor.

“Early Termination Date” has the meaning set forth in Section 6.02.

“EFC” means the effective flexible capacity (in MWs) of the Generating Facility pursuant to the Resource Adequacy Rulings and CAISO Tariff, in each case to the extent applicable, and which such flexible capacity may be used to satisfy a load-serving entity’s Flexible RAR.

“Effective Date” has the meaning set forth in the Preamble.

“Eligible Intermittent Resource Protocol” or “EIRP” means the CAISO’s intermittent resource program initially established pursuant to the CAISO Tariff or any successor program that SCE determines accomplishes a similar purpose.

{SCE Comment: Intermittent only.}

“Emergency” means:

(a) An actual or imminent condition or situation which jeopardizes the integrity of Transmission Provider’s electric system or the integrity of any other systems to which the Transmission Provider’s electric system is connected, as determined by the Transmission Provider in its reasonable discretion, or any condition so defined and declared by the CAISO; or

(b) An emergency condition as defined under an interconnection agreement and any abnormal interconnection or system condition that requires automatic or immediate manual action to prevent or limit loss of load or generation supply, that
could adversely affect the reliability of the Transmission Provider’s electric system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety.

“Energy Communication Network” means the CAISO infrastructure network (data highway) used by all CAISO participants to exchange data to and from resources and CAISO.

“Energy Deviations” means the absolute value of the difference, in kWh, in any Settlement Interval between:

(a) Forecast-Derived Energy; and
(b) Metered Amounts plus Lost Output.

{SCE Comment: Intermittent only.}

(a) Expected Energy; and
(b) Metered Amounts plus Lost Output.

{SCE Comment: Baseload only.}

“Equitable Defense” means any bankruptcy, insolvency, reorganization or other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain equitable remedies may be pending.

“ERR” has the meaning set forth in Section 10.02(b)(i).

“Event of Default” has the meaning set forth in Section 6.01.

“Event of Deficient Energy Deliveries” means any instance in which Seller fails to meet Seller’s Energy Delivery Obligation as determined in accordance with Section 3.07(a)(ii).

“Event of Excess Deliveries” has the meaning set forth in Section 6.01(b)(vi).

{SCE Comment: Baseload only.}

“Excess Network Upgrade Costs” has the meaning set forth in Section 2.03(b).

“Expected Annual Net Energy Production” means the Generating Facility’s expected annual Qualified Amounts, as calculated in accordance with Section 1.01(j).

“Expected Energy” has the meaning set forth in the CAISO Tariff.

{SCE Comment: Baseload only.}

“Federal Funds Effective Rate” means the annual interest rate posted opposite the caption “Federal Funds (effective)” as set forth in the weekly statistical release as H.15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System.
“Federal Investment Tax Credit” means investment tax credit under Section 48 of the Internal Revenue Code as in effect from time-to-time throughout the Delivery Term or any successor or other provision providing for a federal tax credit determined by reference to capital investment in equipment used to produce renewable electric energy from [solar][geothermal] energy resources for which Seller, as the owner of the Generating Facility, is eligible.
{SCE Comment: For solar or geothermal projects.}

“Federal Investment Tax Credit Legislation” means validly enacted federal legislation that either (i) extends the Federal Investment Tax Credit in its current form, or (ii) extends to owners of solar and geothermal generating facilities the applicability of a renewable energy tax credit determined by reference to capital investment in (A) the construction of the Generating Facility or (B) equipment used to produce renewable electric energy from solar or geothermal energy resources for which Seller, as the owner of the Generating Facility, is eligible.
{SCE Comment: For solar and geothermal projects.}

“Federal Production Tax Credit” means production tax credit under Section 45 of the Internal Revenue Code as in effect from time-to-time throughout the Delivery Term or any successor or other provision providing for a federal tax credit determined by reference to renewable electric energy produced from wind or other renewable energy resources for which Seller, as the owner of the Generating Facility, is eligible.
{SCE Comment: For Sellers that are eligible for Federal Production Tax Credit.}

“Federal Production Tax Credit Legislation” means validly enacted federal legislation that extends to owners of generating facilities that produce electric energy from wind or other renewable energy resources the applicability of a renewable energy tax credit determined by reference to wind or other renewable energy resources for which Seller, as the owner of the Generating Facility, is eligible.
{SCE Comment: For wind and other renewable generating facilities.}

“FERC” means the Federal Energy Regulatory Commission.

“Final Wind Report” means the unabridged and unredacted final report concerning the electric energy producing potential of the Site prepared by an independent engineer and which is used by Seller to obtain both:

(a) Project financing or funding for the Generating Facility; and
(b) The final design and binding price quote from the Wind Turbine manufacturer.
{SCE Comment: For Wind Only.}

“Financial Consolidation Requirement” has the meaning set forth in Section 8.06(a).

“Fitch” means Fitch Ratings Ltd. or its successor.
“Flexible RAR” means the flexible capacity requirements established for load-serving entities by the CPUC pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction.

“Force Majeure” means any occurrence that was not anticipated as of the Effective Date that:

(a) In whole or in part:
   (i) Delays a Party’s performance under this Agreement;
   (ii) Causes a Party to be unable to perform its obligations; or
   (iii) Prevents a Party from complying with or satisfying the conditions of this Agreement;

(b) Is not within the control of that Party; and

(c) The Party has been unable to overcome by the exercise of due diligence, including an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, sabotage, strike or labor dispute, or actions or inactions of any Governmental Authority (including a change in Applicable Law but excluding Seller’s compliance obligations as set forth in Section 3.19), or curtailment or reduction in deliveries at the direction of a Transmission Provider or the CAISO (except as set forth below).

Force Majeure does not include:

(d) The lack of wind, sun or other fuel source of an inherently intermittent nature;

(e) Reductions in generation from the Generating Facility resulting from ordinary wear and tear, deferred maintenance or Operator error;

(f) Curtailment or reduction in deliveries at the direction of a Transmission Provider or the CAISO when the basis of the curtailment or reduction in deliveries ordered by a Transmission Provider or the CAISO is congestion arising in the ordinary course of operations of the Transmission Provider’s system or the CAISO-Controlled Grid, including congestion caused by outages or capacity reductions for maintenance, construction or repair;

(g) Any delay in providing, or cancellation of, any Permit by the issuing Governmental Authority, except to the extent such delay or cancellation is the result of a force majeure claimed by the Governmental Authority;

(h) Any delay in providing, or cancellation of, interconnection service by a Transmission Provider, except to the extent such delay or cancellation is the result of a force majeure claimed by the Transmission Provider. [; or
(i) Any invalidation of the CAISO Exemption and failure to comply with the CAISO Tariff due, in any part, to the Shared Facilities. [SCE Comment: Bracketed language only applicable to projects that utilize a shared transformer.]

“Forecast” means an hourly forecast provided in accordance with Exhibit D of either:

(a) The sum of the continuous electrical output ratings for [Current Inverters] [Wind Turbines] [the generator(s)] (in MWs) in the Generating Facility that are operational; or

(b) The sum of electric energy (in MWh) expected to be generated by the Generating Facility

in accordance with SCE instructions.

“Forecast-Derived Energy” means the amount of energy in MWh that would have been generated by the Generating Facility, as determined by SCE after the applicable Settlement Interval(s) based upon (i) the Forecast of available capacity provided by Seller in accordance with this Agreement, (ii) the meteorological data for the Generating Facility during the applicable Settlement Interval(s), and (iii) the expected generating capabilities of the Generating Facility.

[SCE Comment: Intermittent only.]

“Forecasted Commercial Operation Date” means the date Seller anticipates, as of the Effective Date, will be the Commercial Operation Date, as set forth in Section 1.02.

“Forecasting” means the action of Seller in preparing and submitting the Forecasts to SCE.

“Forward Settlement Amount” means the Non-Defaulting Party’s Costs and Losses, on the one hand, netted against its Gains, on the other.

If the Non-Defaulting Party’s Costs and Losses exceed its Gains, then the Forward Settlement Amount shall be an amount owing to the Non-Defaulting Party.

If the Non-Defaulting Party’s Gains exceed its Costs and Losses, then the Forward Settlement Amount shall be Zero dollars ($0).

The Forward Settlement Amount does not include consequential, incidental, punitive, exemplary or indirect or business interruption damages.

“Full Capacity Deliverability Status” or “FCDS” has the meaning set forth in the CAISO Tariff.

“GAAP” means accounting principles generally accepted in the United States of America.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner.
Factors used in determining the economic benefit to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining Term of this Agreement, and includes the value of Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

Only if the Non-Defaulting Party is unable, after using commercially reasonable efforts, to obtain third-party information to determine the gain of economic benefits, then the Non-Defaulting Party may use information available to it internally suitable for this purpose in accordance with prudent industry practices.

“Generating Facility” means Seller’s electric generating facility as more particularly described in Exhibit B, together with all materials, equipment systems, structures, features and improvements necessary to produce electric energy at the facility, [and, with respect to the Shared Facilities, Seller’s interests in such Shared Facilities] excluding the Site, land rights and interests in land. {SCE Comment: Bracketed language only applicable to projects that have Shared Facilities.}

“Generating Facility Energy Yield Curve” means a table used to estimate the Generating Facility’s Metered Amounts, in kWhs, as a function of the recorded plane of array insolation, in kWh per square meter, at the Site as described in Exhibit K. {SCE Comment: Solar Photovoltaic only.}

“Generating Facility Power Curve” means a table used to estimate the Generating Facility’s Metered Amounts as a function of the recorded wind speed at the Site as described in Exhibit K. {SCE Comment: Wind only.}

“Generating Facility Power Curve” means a table used to estimate the Generating Facility’s Metered Amounts as a function of the recorded direct normal insolation at the Site as described in Exhibit K. {SCE Comment: Solar Thermal only.}

“Generation Management System” or “GMS” means the automated system, or its successor system, employed by SCE real time operations to remotely monitor and dispatch the Generating Facility.

“Generation Operations Center” or “GOC” means the location of SCE’s real time operations personnel.

“Generator Operator” means the entity that Operates the Generating Facility and performs the functions of supplying energy and interconnected operations services as described in the NERC Reliability Standards.
“Generator Operator Obligations” means the obligations of a Generator Operator as set forth in all applicable NERC Reliability Standards.

“Generator Owner” means an entity that owns the Generating Facility and has registered with NERC as the entity responsible for complying with those NERC Reliability Standards applicable to owners of generating units as set forth in the NERC Reliability Standards.

“Generator Owner Obligations” means the obligations of a Generator Owner as set forth in all applicable NERC Reliability Standards.

“Geothermal Reservoir Report” means a report obtained by Seller from an expert independent consulting firm qualified in geothermal reservoir assessment which assesses the geothermal potential at the Site.

{SCE Comment: Geothermal only.}

“Governmental Authority” means:

(a) Any federal, state, local, municipal or other government;

(b) Any governmental, regulatory or administrative agency, commission, or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or

(c) Any court or governmental tribunal.

“Governmental Charges” has the meaning as set forth in Section 9.02.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:

(1) Any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO₂), nitrogen oxides (NOₓ), carbon monoxide (CO) and other pollutants;

(2) Any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to
the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere;¹

(3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy.

Green Attributes do not include:

(i) Any energy, capacity, reliability or other power attributes from the Project,

(ii) Production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation,

(iii) Fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or

(iv) Emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits.

If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide SCE with sufficient Green Attributes to ensure that there are zero (0) net emissions associated with the production of electricity from the Project.

“Green Market Price” means the market price for energy and Green Attributes from an ERR.

“Hydro Certification” has the meaning set forth in Section 3.25.
{SCE Comment: Hydro only.}

“Ideal Specific Work” has the meaning set forth in Exhibit K.
{SCE Comment: Geothermal only.}

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.
“IFRS” means the International Financial Reporting Standards.

“Indemnified Party” has the meaning set forth in Section 10.03(d).

“Indemnitor” has the meaning set forth in Section 10.03(d).

“Installed DC Rating” means the lesser of (i) the amount of direct current electric energy generating capacity, set forth in Section 1.01(i), that Seller commits to install at the Site, and (ii) the Demonstrated Installed DC Rating, expressed in kW_{PDC}.

{SCE Comment: For Solar Photovoltaic only.}

“Interconnection Affiliate” means the Seller’s Affiliate that is a party to the interconnection agreement and is recognized as the customer under the CAISO Tariff or has the Interconnection Queue Position.

{SCE Comment: Language applicable to projects that utilize Shared Facilities.}

“Interconnection Point” means the location where the Generating Facility first interconnects with the existing electrical transmission or distribution system, as reported on the Generating Facility’s interconnection agreement with the Transmission Provider, as described in Section 1.01(e).

“Interconnection Queue Position” is the order of Seller’s valid request for interconnection relative to all other valid interconnection requests, as specified in Section 1.07.

“Interconnection Study” means any of the studies defined in the CAISO’s Tariff or any Transmission Provider’s tariff that reflect methodology and costs to interconnect the Generating Facility to the Transmission Provider’s electric grid.

“Interest Rate” means, for any date:

(a) The per annum rate of interest equal to the “Prime Rate” published in The Wall Street Journal under “Money Rates” or such date (or if not published on such date on the most recent preceding day on which published); plus

(b) Two percentage points (2%);

provided, in no event may the Interest Rate exceed the maximum interest rate permitted by Applicable Laws.


“Inverter Block Unit” means each Current Inverter installed on the Site as part of the Generating Facility, along with the associated DC Collection Systems and Photovoltaic Modules connected to such Current Inverter.
“Inverter Block Unit Capacity” means, with respect to each Inverter Block Unit, the total rated electric alternating current energy generating capacity of such Inverter Block Unit, determined as the lesser of:

(a) The manufacturer’s output rating of the Current Inverter included in such Inverter Block Unit, consistent with Prudent Electrical Practices and accepted industry standards, as indicated on the nameplate physically attached to such Current Inverter; provided, if such output rating is not indicated in kW or MW on the nameplate physically attached to such Current Inverter, then such output rating in kW or MW will be deemed to be equal to the maximum continuous output power in kilovolt-ampere (kVA) or megavolt-ampere (MVA) indicated on the nameplate physically attached to such Current Inverter for purposes of this calculation; provided further, that if more than one Current Inverter output rating is provided, whether in kW, MW, kVA or MVA, the lowest of these shall be deemed to be the manufacturer’s rating of such Current Inverter; or

(b) The sum of the manufacturer’s nameplate ratings of all Photovoltaic Modules included in such Inverter Block Unit, consistent with Prudent Electrical Practices and accepted industry standards, as indicated on the nameplates physically attached to such individual Photovoltaic Modules.

{SCE Comment: Solar Photovoltaic only.}

“JAMS” has the meaning set forth in Article Twelve.

“kW” means a kilowatt of alternating current electric energy generating capacity.

“kWh” means a kilowatt-hour of alternating current electric energy.

“kW_{PDC}” means peak DC power.

{SCE Comment: Solar Photovoltaic only.}

“Lease” means one or more agreements whereby Seller leases the real property of the Site described in Section 1.01(b) from a third party, the term of which lease begins on or before the commencement of construction of the Generating Facility and extends at least through the last day of the Term.

“Lender” means any financial institutions or successors in interest or assignees that provide(s) development, bridge, construction, permanent debt or tax equity financing or refinancing for the Generating Facility to Seller.

“Letter of Credit” means an irrevocable, nontransferable standby letter of credit, substantially in the form of Exhibit L and acceptable to SCE, provided by Seller from an issuer acceptable to SCE that is either a U.S. financial institution or commercial bank or a U.S. branch of a foreign bank with the financial institution or bank having a Credit Rating of at least (a) “A-” from S&P and Fitch, and “A3” from Moody’s, if such entity is rated by all three ratings agencies; or (b) “A-
“Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events:

(a) The issuer of the Letter of Credit fails to comply with or perform its obligations under such Letter of Credit;

(b) The issuer of the Letter of Credit disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Letter of Credit;

(c) The Letter of Credit fails or ceases to be in full force and effect at any time;

(d) Seller fails to provide an extended or replacement Letter of Credit prior to twenty (20) Business Days before the Letter of Credit expires or terminates;

(e) The issuer of the Letter of Credit becomes Bankrupt; or

(f) The issuer of a Letter of Credit fails to maintain a Credit Rating of at least (i) “A-” from S&P and Fitch, and “A3” from Moody’s, if such entity is rated by all three ratings agencies; or (ii) “A-” from S&P or Fitch, or “A3” from Moody’s, if such entity is rated by only one or two of the such ratings agencies;

provided, no Letter of Credit Default will occur or be continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

“Local Capacity Area” has the meaning set forth in the CAISO Tariff.

“Local RAR” means the local Resource Adequacy Requirements established for load-serving entities by the CPUC pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction. “Local RAR” may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

“Locational Marginal Price” or “LMP” has the meaning set forth in the CAISO Tariff.

“Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner.

Factors used in determining economic loss to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g.,
NYMEX), all of which should be calculated for the remaining Term of this Agreement and must include the value of Green Attributes, Capacity Attributes and Resource Adequacy Benefits. Only if the Non-Defaulting Party is unable, after using commercially reasonable efforts, to obtain third-party information to determine the loss of economic benefits, then the Non-Defaulting Party may use information available to it internally suitable for these purposes in accordance with prudent industry practices.

“Lost Output” means the reduction in Qualified Amounts over the relevant measurement period that the Generating Facility was available to produce and could reasonably have been expected to deliver, based upon the calculation method set forth in Exhibit K, but was not delivered due to a Lost Output Event.

“Lost Output Event” means any of the following occurrences which cause Seller to be unable to deliver energy:

(a) Force Majeure;
(b) An Event of Default where SCE is the Defaulting Party;
(c) A curtailment or reduction of deliveries in accordance with Section 3.12(g) or as otherwise ordered or caused by the CAISO, or SCE acting as a Transmission Provider (including without limitation a curtailment or reduction that does not constitute a Force Majeure as provided in subparagraph (f) or (h) of the definition of Force Majeure); or
(d) An Emergency, to the extent not already covered in item (c) above.

“Lost Output Report” means the monthly report of Lost Output in the form of the worksheet from the Lost Output Workbook prepared in accordance with the procedures set forth in Section 3.21 and Exhibit K.

“Lost Output Workbook” has the meaning set forth in Exhibit K.

“Material Permits” means all permits required for Commercial Operation of the Generating Facility, as set forth on Exhibit G.

“Mediator” has the meaning set forth in Article Twelve.

“Meteorological Equipment” means the instruments and equipment that meet those specifications set forth in Exhibit O, as may be modified by SCE from time to time to reflect the CAISO’s PIRP/EIRP protocol.

*SCE Comment: Intermittent only.*}

“Metered Amounts” means the electric energy produced by the Generating Facility, expressed in kWh, as recorded by the CAISO Approved Meter(s), or Check Meter(s), as applicable.
“Milestone Schedule” means Seller’s schedule to develop the Generating Facility as set forth in Exhibit G, including any revisions thereto in accordance with this Agreement.

“Monthly Profile” has the meaning set forth in Exhibit K.

{SCE Comment:  Biomass only.}

“Moody’s” means Moody’s Investor Services, Inc.

“Multiplier” has the meaning set forth in Section 3.02.

{SCE Comment:  Only Generating Facilities providing guaranteed delivery of Resource Adequacy Benefits.}

“MW” means a megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“MWh” means a megawatt-hour (or 1,000 kilowatt-hours) of alternating current electric energy.

“Negative LMP” means, in any Settlement Interval, the LMP at the Generating Facility’s PNode is less than Zero dollars ($0).

“Negative LMP Costs” has the meaning set forth in Section 1.05(c)(i).

“NERC” means the North American Electric Reliability Corporation, or any successor thereto.

“NERC Reliability Standards” means those reliability standards applicable to the Generating Facility, or to the Generator Owner or the Generator Operator with respect to the Generating Facility, that are adopted by NERC and approved by the applicable regulatory authorities.

“NERC Standards Non-Compliance Penalties” means any and all monetary fines, penalties, damages, interest or assessments by the NERC, CAISO, WECC, a Governmental Authority or any entity acting at the direction of a Governmental Authority arising from or relating to a failure to perform the obligations of Generator Operator or Generator Owner as set forth in the NERC Reliability Standards.

“Net Qualifying Capacity” has the meaning set forth in the CAISO Tariff.

“Network Upgrades Cap” has the meaning set forth in Section 2.03(b)(i)(1).

“Non-Availability Charges” has the meaning set forth in the CAISO Tariff.

“Non-Defaulting Party” has the meaning set forth in Section 6.02.

“Non-Disclosure Agreement” shall mean that certain Non-Disclosure Agreement between the Parties dated as of ________, __, 20__.
“Notice” means notices, requests, statements or payments provided in accordance with Section 10.08 and Exhibit C.

“Notice of Non-Renewal” has the meaning set forth in Section 8.02(b)(iv)(2).

“OMAR” means the Operational Metering Analysis and Reporting System operated and maintained by the CAISO as the repository of settlement quality meter data or its successor.

“Operate”, “Operated”, “Operating” or “Operation” means to provide (or the provision of) all the operation, engineering, purchasing, repair, supervision, training, inspection, testing, protection, use, management, improvement, replacement, refurbishment, retirement, and maintenance activities associated with operating the Generating Facility in accordance with Prudent Electrical Practices.

“Operating Procedures” has the meaning as set forth in the CAISO Tariff.

“Other Generating Facility(ies)” means the electric generating facility(ies), other than the Generating Facility, utilizing the Shared Facilities to enable delivery of energy from each such other generating facility to Seller’s Point of Interconnection, together with all materials, equipment systems, structures, features and improvements necessary to produce electric energy at each such other generating facility, but (i) with respect to the Shared Facilities, excluding Seller’s interests therein and (ii) excluding the real property on which each such other generating facility is, or will be located, land rights and interests in land.

“Other Seller(s)” means the seller(s) of energy from an Other Generating Facility.

{SCE Comment: Language applicable to projects that utilize Shared Facilities.}

“Outage Schedule” has the meaning set forth in Section 3.15.

“Paid Curtailed Product” means the CP for which SCE is obligated to pay Seller pursuant to Section 4.01(c).

“Participating Intermittent Resource” means an intermittent resource generating facility that is certified, and remains certified, under PIRP as set forth in the CAISO Tariff.

“Participating Intermittent Resource Program” or “PIRP” means the CAISO’s intermittent resource program initially established pursuant to Amendment No. 42 of the CAISO Tariff in Docket No. ER02-922-000 or any successor program that SCE determines accomplishes a similar purpose.

{SCE Comment: Intermittent only.}

“Party” or “Parties” have the meaning set forth in the Preamble.
“Payment Invoices” are invoices issued by SCE to Seller detailing amounts owed by SCE to Seller or by Seller to SCE for energy deliveries, CAISO Revenues, CAISO Costs, CAISO Sanctions, SCE Penalties and other charges and adjustments as may be owed by the Parties, in accordance with Exhibit E.

“Performance Assurance” means collateral (in the amount of the Performance Assurance Amount set forth in Section 1.06) for Seller’s performance under this Agreement in the form of cash or Letter(s) of Credit.

“Performance Assurance Amount” means the collateral amount for Performance Assurance set forth in Section 1.06.

“Performance Tolerance Band” has the meaning set forth in Exhibit M.

“Permit Approval” means approval by the relevant regulatory agencies of any Permit and shall be deemed obtained upon the issuance of such Permit, and shall not be invalidated by the pendency of an appeal or other post-issuance challenge to the issuance of the Permit.

“Permits” means all applications, approvals, authorizations, consents, filings, licenses, orders, permits or similar requirements imposed by any Governmental Authority, or the CAISO, in order to develop, construct, Operate, maintain, improve, refurbish and retire the Generating Facility or to Forecast or deliver the electric energy produced by the Generating Facility to SCE.

“Photovoltaic Module” means the individual module or component that produces DC electric energy from sun light.

“Photovoltaic Module DC Rating” means, for each Photovoltaic Module installed or to be installed at the Site, the number (expressed in kW\textsubscript{PDC}) stated on the nameplate affixed thereto representing the manufacturer’s maximum (at “peak” sunlight) DC power rating at the standard test condition (\(P_{mp}\) or Power maximum at peak).

*SCE Comment: For Solar Photovoltaic.*

“PNode” has the meaning set forth in the CAISO Tariff.

“Portfolio” means a single portfolio of electrical energy generating assets consisting of the Generating Facility and the Other Generating Facility(ies), that is pledged as collateral security in connection with a financing thereof. *SCE Comment: Language applicable to projects that utilize Shared Facilities.*

“Product” has the meaning set forth in Section 1.01(d).

“Product Payment” has the meaning set forth in Exhibit E.
“Product Payment Allocation Factor” means the product payment allocation factors set forth in Exhibit I.

“Product Price” has the meaning set forth in Section 1.05.

“Product Replacement Damage Amount” has the meaning set forth in Section 3.07(b).

“Project” means the Generating Facility.

“Proposal” means the proposal Seller submitted to SCE in response to SCE’s 2015 request for proposals to supply energy and associated Green Attributes, Capacity Attributes and Resource Adequacy Benefits from eligible renewable resources.

“Prudent Electrical Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States, similar to the Generating Facility, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known or that should reasonably have been known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety.

Prudent Electrical Practices shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers’ warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, the CAISO and Applicable Laws.

Prudent Electrical Practices also includes taking reasonable steps to ensure that:

(a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Generating Facility’s needs;

(b) Sufficient Operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to Operate the Generating Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Generating Facility and Emergencies whether caused by events on or off the Site;

(c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long term and safe Operation of the Generating Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

(d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;

(e) Equipment is not Operated in a reckless manner, in violation of manufacturer’s guidelines or in a manner unsafe to workers, the general public, or the Transmission Provider’s electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood
conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and

(f) Equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site and under both normal and emergency conditions.

“Qualified Amounts” means the Metered Amounts, expressed in kWh, that qualify as renewable power under the requirements of the California Renewables Portfolio Standard, or which do not so qualify solely due to a change in RPS Legislation occurring after the Effective Date, subject to Seller’s compliance with Section 1.08.

“Qualifying Capacity” means the maximum amount of Resource Adequacy Benefits a generating facility could provide before an assessment of its Net Qualifying Capacity, as determined pursuant to the relevant methodology established by the CPUC. For purposes of determining “Qualifying Capacity”, it shall be assumed that the Generating Facility is fully deliverable.

{SCE Comment: Only Generating Facilities providing guaranteed delivery of Resource Adequacy Benefits.}

“Qualified Reporting Entity” has the meaning set forth in the WREGIS Operating Rules, as applicable to the Generating Facility as the Registered Generating Unit.

“RA Deficit Payments” has the meaning set forth in Section 3.02.

{SCE Comment: Only Generating Facilities providing guaranteed delivery of Resource Adequacy Benefits.}

“RAP ID” means the contract identification number set forth on the title page to this Agreement.

“Real-Time Availability” means Seller’s cumulative available capacity of the Generating Facility on a real-time basis.

“Real-Time Market” has the meaning set forth in the CAISO Tariff.

“Registered Generating Unit” has the meaning set forth in WREGIS Operating Rules, as applicable to the Generating Facility.

“Renewable Energy Credit” or “REC” has the meaning set forth in CPUC Decision D.08-08-028, as such definition may be modified by the CPUC or Applicable Law from time to time.
“Required Material” means any permit, license, application, certification, design, specification, program, agreement, instrument, equipment, device, mechanism, or any other item in connection with the Generating Facility to be reviewed or approved by SCE or on SCE’s behalf, or requested or required of Seller by SCE or on SCE’s behalf, under this Agreement.

“Resource Adequacy Benefits” means the rights and privileges attached to the Generating Facility that satisfy any entity’s Resource Adequacy Requirements, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Generating Facility.

“Resource Adequacy Requirements” or “RAR” means the resource adequacy requirements applicable to a person or entity pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time throughout the Delivery Term.

“Responsible Officer” means the chief financial officer, treasurer or any assistant treasurer of a Party or any employee of a Party designated by any of the foregoing.

“Restricted Period” has the meaning set forth in Section 2.04(b).

“RPS” means the State of California Renewable Portfolio Standard Program.

“RPS Legislation” means the State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, et seq.

“S&P” means the Standard & Poor’s Financial Services LLC.

“SC Set-up Fee” has the meaning set forth in Section 3.13(a)(iii).

“SCE” has the meaning set forth in the Preamble.

“SCE Penalty” means the amount charged to Seller by SCE, in accordance with Exhibit M, for hours in a calendar month when Seller does not accurately provide availability information as set forth in Exhibit D.

[SCE Comment: For Intermittent only.]

“Schedule,” “Scheduled” or “Scheduling” means the action of SCE in submitting Bids to the CAISO and receiving all CAISO Markets results from the CAISO.
“Scheduling Coordinator” or “SC” means an entity certified by the CAISO for the purposes of undertaking the functions specified by the CAISO Tariff.

“SEC” means the Securities and Exchange Commission.

“Security Interest” has the meaning set forth in Section 8.03.

“Seller” has the meaning set forth in the Preamble.

“Seller’s Debt” means, without duplication, each of the following:

(a) All indebtedness of Seller for borrowed money;

(b) All obligations of Seller for the deferred purchase price of property or services which purchase price is due more than six months after the date of placing such property in service or taking delivery or title thereto or the completion of such services (other than trade payables not overdue by more than ninety (90) days incurred in the ordinary course of Seller’s business);

(c) All obligations of Seller evidenced by notes, bonds, debentures, Disqualified Stock or other similar instruments;

(d) All obligations of Seller created or arising under any conditional sale or other title retention agreement with respect to property acquired by Seller (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) All monetary obligations of Seller under:

(i) A lease of any property (whether real, personal or mixed) by Seller as lessee that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of Seller;

(ii) A so-called synthetic, off-balance sheet or tax retention lease; or

(iii) An agreement for the use or possession of property creating obligations which do not appear on the balance sheet of Seller but which, upon the insolvency or bankruptcy of Seller, would be characterized as indebtedness of Seller (without regard to accounting treatment);

(f) All obligations, contingent or otherwise, of Seller under acceptance, letter of guaranty, letter of credit or similar facilities;

(g) All obligations of Seller with respect to any redeemable equity interests in Seller, including in the case of preferred stock at the greater of the voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(h) All obligations of Seller with respect to any swaps, caps or collar agreements or similar arrangements to hedge against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or
under specific contingencies, in each case, valued at the aggregate net mark-to-market value;

(i) All indebtedness of others referred to in clauses (a) through (h) above guaranteed by Seller, or in effect guaranteed by Seller through an agreement:
   (i) To pay or purchase such indebtedness or to advance or supply funds for the payment or purchase of such indebtedness;
   (ii) To purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of the indebtedness or to assure the holder of such indebtedness against loss;
   (iii) To supply funds to or invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered); or
   (iv) Otherwise to assure a creditor against loss; and

(j) Without duplication of the foregoing, all indebtedness referred to in clauses (a) through (i) above secured by any lien on property (including accounts and contract rights) owned by Seller.

The outstanding amount of indebtedness as described above at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations as described above, the maximum liability upon the occurrence of the contingency giving rise to the obligation.

Notwithstanding the foregoing, the term “Seller’s Debt” as used herein does not include Seller’s obligations under this Agreement and the Lease (provided that such Lease does not constitute an obligation of Seller described in clause (e) of the first sentence of this definition).

“Seller’s Energy Delivery Obligation” has the meaning set forth in Section 3.07(a)(i).

“Seller’s Ultimate Parent” shall mean [________] or any successor entity thereto who maintains a direct or indirect majority ownership in Seller.  [SCE Comment: For projects that utilize Shared Facilities.]

“Settlement Interval” has the meaning set forth in the CAISO Tariff.

“Shared Facilities” means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of energy from Seller’s electric Generating Facility (which is excluded from Shared Facilities) to the Point of Interconnection, including the interconnection agreement itself, that are used in common with Other Seller(s), as applicable.

“Shared Facilities Agreement(s)” has the meaning set forth in Section 3.05(a).
“Shared Facilities Area” means the area of real property upon which the Shared Facilities are or will be located, as more particularly described in Exhibit B.

“Shared Facilities Control” means that Seller either (i) owns an interest in the Shared Facilities Area (including in the form of an undivided co-tenancy (or similar shared) ownership interest in the Shared Facilities Area under the Shared Facilities Agreement), (ii) is the lessee of the Shared Facilities Area, or (iii) is the holder of a franchise agreement, easement or right-of-way grant or similar instrument with respect to the Shared Facilities Area.

“Shared Transformer” means the transformer shared by Seller and Other Seller as part of the Shared Facilities, which steps the voltage from [__] kV to [__] kV. {SCE Comment: Language only applicable to projects that utilize a shared transformer.}

“Simple Interest Payment” means a dollar amount calculated by multiplying the:

(a) Dollar amount on which the Simple Interest Payment is based; times
(b) Federal Funds Effective Rate or Interest Rate, as applicable; times
(c) The result of dividing the number of days in the calculation period by 360.

“Site” means the real property on which the Generating Facility is, or will be located, as further described in Section 1.01(b) and Exhibit B, but excluding (a) that portion on which the Other Generating Facility is, or will be, located, as further described in Exhibit B, and (b) the Shared Facilities Area. {SCE Comment: Bracketed language only applicable to projects that utilize Shared Facilities.}

“Site Control” means that Seller shall:

(a) Own the Site;
(b) Be the lessee of the Site under a Lease;
(c) Be the holder of a right-of-way grant or similar instrument with respect to the Site; or
Be the managing partner or other person or entity authorized to act in all matters relating to the control and Operation of the Site and the Generating Facility.

“Solar Generating Unit” means the solar generator(s) installed on the Site as part of the Generating Facility including any replacements or substitutes therefore. {SCE Comment: Solar Thermal only.}

“Solar Resource Evaluation Report” means a final report concerning the electric energy producing potential of the Site prepared by an independent engineer which assesses the solar
resource potential at the Site.
{SCE Comment: Solar only.}

“Station Use” means:

(a) The electric energy produced by the Generating Facility that is used within the Generating Facility to power the lights, motors, control systems and other electrical loads that are necessary for Operation; and

(b) The electric energy produced by the Generating Facility that is consumed within the Generating Facility’s electric energy distribution system as losses.

“Successor” has the meaning set forth in Section 8.06(b)(iii).

“Supervisory Control and Data Acquisition” or “SCADA” has the meaning set forth in the CAISO Tariff.

“Supplemental Lost Output” has the meaning set forth in Section 3.21.

“Supplemental Lost Output Report” has the meaning set forth in Section 3.21.

“Telemetry System” means a system of electronic components that interconnects the Generating Facility, GMS and the CAISO as set forth in Section 3.08(e).

“Term” means the term of this Agreement as set forth in Section 1.04.

“Term Year” means a twelve (12) month period beginning on the first day of the calendar month following the Commercial Operation Date and each successive twelve (12) month period thereafter.

“Termination Payment” means the sum of all amounts owed by the Defaulting Party to the Non-Defaulting Party under this Agreement, less any amounts owed by the Non-Defaulting Party to the Defaulting Party determined as of the Early Termination Date.

“Theoretical Maximum Output” has the meaning set forth in Exhibit K.
{SCE Comment: Geothermal only.}

“TOD Period(s)” means the time of delivery period(s) set forth in Exhibit I.

“TOD Period Product Payment” means a portion of a Product Payment based upon the time of delivery of Product and calculated in accordance with the formula set forth in Section 2.02 of Exhibit E.

“Trading Day” has the meaning set forth in the CAISO Tariff.
“Transmission Provider” means any entity or entities responsible for the interconnection of the Generating Facility with a Control Area or transmitting the Metered Amounts on behalf of Seller from the Generating Facility to the Delivery Point.

“Unincluded Capacity” has the meaning set forth in Section 3.06(g)(iii).

“Utilization Factor” has the meaning set forth in Exhibit K.
{SCE Comment: Geothermal only.}

“Web Client” means a web-based system approved by SCE.

“WECC” means the Western Electricity Coordinating Council, the regional reliability council for the Western United States, Northwestern Mexico and Southwestern Canada.

“Wind Turbines” means the wind turbine generators installed on the Site as part of the Generating Facility including any replacements or substitutes therefore.
{SCE Comment: Wind only.}

“WMDVBE” means women, minority, and disabled veteran business enterprise, as more particularly set forth in CPUC General Order 156.

“WREGIS” has the meaning set forth in Section 3.01(d)(iv).

“WREGIS Certificate(s)” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

“WREGIS Operating Rules” means the rules published by the Western Electricity Coordination Council for the rules and operations of WREGIS.

*** End of EXHIBIT A ***
EXHIBIT B
Generating Facility and Site Description

1. Generating Facility Description.

{SCE Comment: Seller must provide description of the Generating Facility equipment, systems, control systems and features, including a site plan drawing showing the general arrangement of the Generating Facility, and a single-line diagram(s) showing electrical arrangement of generating equipment, inverters, unit/service transformers, CAISO-Controlled Grid interconnection, interconnection transformer(s), metering, breakers, and disconnects (as applicable). To the extent applicable, Seller must include the designation system by which Seller identifies individual generating units.}

2. Site Description.

{SCE Comment: Seller must provide a legal description of the site, including a site map.}

*** End of EXHIBIT B ***
### Exhibit C
**Notice List**

<table>
<thead>
<tr>
<th><strong>[SELLER’S NAME]</strong></th>
<th><strong>SOUTHERN CALIFORNIA EDISON COMPANY</strong> (“SCE”)</th>
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<tbody>
<tr>
<td>(“Seller”)</td>
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</tr>
<tr>
<td>All Notices are deemed provided in accordance with Section 10.08 if made to the address and facsimile numbers provided below:</td>
<td>Unless otherwise specified, all Notices are deemed provided in accordance with Section 10.08 if made to the Contract Sponsor at the address or facsimile number provided below:</td>
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<tr>
<td>Attn:</td>
<td>Attn: Vice President of Energy Procurement &amp; Management</td>
</tr>
<tr>
<td>Street:</td>
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<tr>
<td>City:</td>
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</tr>
<tr>
<td>Phone:</td>
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<td>Email: <a href="mailto:Energycontracts@sce.com">Energycontracts@sce.com</a></td>
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<tr>
<td>Phone:</td>
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<td>Attn: Manager SCE Law Department</td>
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<td>Facsimile:</td>
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<tr>
<td></td>
<td>Email: <a href="mailto:Beth.Fox@sce.com">Beth.Fox@sce.com</a></td>
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*** End of EXHIBIT C ***
EXHIBIT D

Forecasting and Scheduling Requirements and Procedures

1. Introduction.

The Parties shall abide by the Forecasting and Scheduling requirements and procedures described below and shall agree upon reasonable changes to these requirements and procedures from time-to-time, as necessary to:

(a) Comply with CAISO Tariff;
(b) Accommodate changes to their respective generation technology and organizational structure; and
(c) Address changes in the operating and Scheduling procedures of both SCE and the CAISO, including but not limited to, automated forecast and outage submissions.

2. Seller’s Forecasting Requirements.

Seller must meet all of the following requirements for Forecasting as specified below.

(a) No later than thirty (30) days before any day designated for Commercial Operation, Seller shall provide SCE, via the Web Client, with a 30-day, hourly Forecast of either or both:
   (i) Capacity, in MW; or
   (ii) Electric energy, in MWh

   as directed by SCE, for the thirty (30) day period commencing on the Commercial Operation Date.

(b) If, after submitting the Forecast pursuant to Item 2(a), Seller learns that Commercial Operation will occur on a date and time other than that reflected on the Forecast, Seller shall provide an updated Forecast reflecting the new Commercial Operation Date at the earliest practicable time but no later than 5:00 p.m. Pacific Prevailing Time (“PPT”) on the Wednesday before the revised Commercial Operation Date, if Seller has learned of the new Commercial Operation Date by that time, but in no event less than three (3) Business Days before the actual Commercial Operation Date.

(c) If the Web Client becomes unavailable, Seller shall provide SCE with the Forecast by e-mailing SCE.

(d) The Forecast, and any updated Forecasts provided pursuant to this Item 2, must:
   (i) Not include any anticipated or expected electric energy losses after the CAISO Approved Meter or Check Meter; and
Limit hour-to-hour Forecast changes to no less than two hundred fifty (250) kWh or 0.25 MW, as applicable, during any period when the Web Client is unavailable. Seller shall have no restriction on hour-to-hour Forecast changes when the Web Client is available.

Commencing on or before 5:00 p.m. PPT of the Wednesday before the first week covered by the Forecast provided pursuant to Item 2(a) above and on or before 5:00 p.m. PPT every Wednesday thereafter until the end of the Delivery Term, Seller shall update the Forecast for the thirty (30) day period commencing on the Sunday following the weekly Wednesday Forecast update submission. Seller shall use the Web Client, if available, to supply this weekly update or, if the Web Client is not available, Seller shall provide SCE with the weekly Forecast update by e-mailing SCE.

Forecasting Electric Energy.

If Seller is Forecasting electric energy, in accordance with SCE’s instructions, and Seller learns of any change in the total electrical energy output of the Generating Facility for a period covered by the most recent Forecast update resulting from any cause, including an unplanned outage, before the time that the next weekly update of the Forecast is due which results in variance in expected energy in any hour of plus (+) or minus (-) three percent (3%) from the energy reported in the most recent Forecast update, Seller shall provide an updated Forecast to SCE. This updated Forecast must be submitted to SCE by no later than:

- 5:00 a.m. PPT on the day before any day impacted by the change, if the change is known to Seller at that time. If the Web Client is not available, Seller shall e-mail these changes to presched@sce.com and immediately follow up with a phone call to SCE’s Day-Ahead Scheduling Desk in accordance with Exhibit C;
- Thirty (30) minutes before the commencement of any hour impacted by the change, if the change is known to Seller at that time; or
- If the change is not known to Seller by the timeframes indicated in (i) or (ii) above, within twenty (20) minutes after Seller became aware or, using best efforts, should have become aware of the commencement of the event which caused the energy forecast change, e-mail changes to realtime@sce.com and immediately telephone SCE’s Real-time Operations Desk in accordance with Exhibit C.

Forecasting Available Capacity.

If:

- Seller is Forecasting available capacity, in accordance with SCE’s instructions;
(ii) Seller does not provide real-time communication of availability as provided in Section 3.08(g);

(iii) The telecommunications path to obtain real-time data is inoperable; or

(iv) Instrumentation is providing faulty or incorrect data; and

Seller learns of any change in the total available capacity of the Generating Facility for a period covered by the most recent Forecast update resulting from any cause, including an unplanned outage before the time that the next weekly update of the Forecast is due which Seller is required to report under the provisions of the CAISO Tariff related to PIRP/EIRP and under other applicable provisions of the CAISO Tariff related to availability and outage reporting, then Seller shall provide an updated Forecast to SCE. This updated Forecast must be submitted to SCE via the Web Client by no later than:

(1) 5:00 a.m. PPT on the day before any day impacted by the change, if the change is known to Seller at that time. If the Web Client is not available, Seller shall e-mail these changes to presched@sce.com and immediately follow up with a phone call to SCE’s Day-Ahead Scheduling Desk in accordance with Exhibit C;

(2) Thirty (30) minutes before the commencement of any hour impacted by the change, if the change is known to Seller at that time; or

(3) If the change is not known to Seller by the timeframes indicated in (1) or (2) above, within twenty (20) minutes after Seller becomes aware or, using best efforts, should have become aware of the event which caused the availability change, e-mail changes to realtime@sce.com and immediately telephone SCE’s Real-time Operations Desk in accordance with Exhibit C.

(h) Seller’s updated Forecast must reflect the following information:

(i) The beginning date and time of the change;

(ii) The expected ending date and time of the event;

(iii) The expected availability, in MW (if so instructed by SCE);

(iv) The expected energy, in MWh (if so instructed by SCE); and

(v) Any other information required by the CAISO as communicated to Seller by SCE.

3. SCE’s Scheduling Responsibilities.

SCE shall be responsible for Scheduling the Product in accordance with this Agreement.
4. **Seller’s Outage Scheduling Requirements.**

Seller shall meet all requirements and timelines for generation outage scheduling contained in the CAISO’s Scheduled and Forced Outage Procedure T-113, or its successor, as posted on the CAISO’s website.

*** End of EXHIBIT D ***
EXHIBIT E
Payments and Invoicing

1. COST RESPONSIBILITY, INVOICING AND PAYMENTS UPON COMMENCEMENT OF THE TERM

1.01 Cost Responsibility Upon Commercial Operation.

(a) SCE Cost Responsibility.

Upon the Commercial Operation Date and for the remainder of the Term,

(i) Except under the circumstances set forth in Section 4.01(e), SCE shall make monthly Product Payments to Seller for Product delivered to SCE calculated in the manner described in Section 1.02 below and Exhibit M;

(ii) Except as set forth in Exhibit M and Section 1.01(b) of Exhibit E, SCE shall be responsible for all CAISO Costs and CAISO Sanctions and have the right to receive all CAISO Revenues;

(iii) To the extent that SCE requires Seller to participate in the PIRP/EIRP program, SCE shall be responsible for PIRP/EIRP forecasting fees.

{SCE Comment: For Intermittent Only.}

(b) Seller Cost Responsibility.

Upon the Commercial Operation Date and for the remainder of the Term:

(i) If Seller fails to comply with the Forecasting provisions set forth in Exhibit D, Seller shall pay an SCE Penalty as set forth in Exhibit M.

{SCE Comment: Intermittent only.}

(ii) Seller shall be responsible for CAISO Costs and CAISO Sanctions, under the circumstances specified in Section 4.01(e) [and RA Deficit Payments under the circumstances specified in Section 3.02] {SCE Comment: Only applicable if Seller has chosen the option to make RA Deficit Payments.}.

(iii) Seller shall be responsible for Negative LMP Costs, if applicable, as set forth in Section 1.05(c)(i).

(iv) Seller shall be responsible for CAISO Costs and CAISO Sanctions and receive CAISO Revenues under the circumstances specified in Section 1.05(c)(ii).

(v) Seller shall make monthly payments calculated in the manner described in Section 1.02 below and Exhibit M.

1.02 Product Payment Calculations After Commercial Operation Date.

For the purpose of calculating monthly payments for Product delivered to SCE as of the Commercial Operation Date in accordance with the terms of this Agreement (“Product Payments”), Qualified Amounts will be time-differentiated according to the TOD Periods.

The contents of this document are subject to restrictions on disclosure as set forth herein.
set forth in Exhibit I and the pricing will be weighted by the Product Payment Allocation Factors.

Monthly Product Payments will equal the sum of (i) the sum of the TOD Period Product Payments for all TOD Periods in the month and (ii) the Curtailed Product Payment. Each TOD Period Product Payment will be calculated pursuant to the following formula, where “n” is the TOD Period being calculated:

\[
\text{TOD PERIOD}_n \text{ PRODUCT PAYMENT} = A \times B \times (C - D - E) + F
\]

Where:

- \( A \) = Product Price specified in Section 1.05 in $/kWh (i.e., $/MWh/1000).
- \( B \) = Product Payment Allocation Factor for the TOD Period being calculated.
- \( C \) = The sum of Qualified Amounts in all hours for the TOD Period being calculated in kWh.
- \( D \) = Any electric energy produced by the Generating Facility for which SCE is not obligated to pay Seller as set forth in Section 4.01(e).
- \( E \) = Any electric energy produced by the Generating Facility with respect to which Seller is entitled to CAISO Revenues as set forth in Section 1.05(c)(ii).
- \( F \) = CAISO Revenues with respect to electric energy produced by the Generating Facility for which Seller is entitled to CAISO Revenues as set forth in Section 1.05(c)(ii).

1.03 Payment During the Term.

On or before the last Business Day of the month following the applicable month for which the monthly Product Payment is being calculated, SCE shall:

(a) Issue a Payment Invoice to Seller, including documentation supporting any SCE Penalties, Negative LMP Costs, CAISO Costs, CAISO Sanctions, [RA Deficit Payments pursuant to Section 3.02] {SCE Comment: FCDS projects only.}, or other applicable revenues, charges and offsets which affected the net amount in the Payment Invoice; and

(b) Send to Seller, via wire transfer or Automated Clearing House, SCE’s payment of said net amount, less any applicable SCE Penalties, Negative LMP Costs, CAISO Costs, CAISO Sanctions, [RA Deficit Payments pursuant to Section 3.02] {SCE Comment: FCDS projects only.}, or other applicable charges or offsets plus, if such payment is late, a Simple Interest Payment calculated using the Interest Rate and the number of days that such payment is late.

The Parties acknowledge that data necessary to calculate certain payment obligations of Buyer and Seller under this Agreement may not be available at the time SCE issues the Payment Invoice with respect to a particular month. Any such payment obligations,
including related documentation supporting such obligations, shall be included in a subsequent Payment Invoice issued to Seller on or before the last Business Day of the month following the month that is the later of (i) one hundred and twenty (120) days following the last day of the calendar month to which the data relates or (ii) thirty (30) days after the relevant CAISO final settlement data is available to SCE.

1.04 **Recomputation and Payment Adjustments.**

(a) If Seller or SCE determines that a calculation of Qualified Amounts, Metered Amounts, CAISO Revenues, Negative LMP Costs, CAISO Costs, CAISO Sanctions, [RA Deficit Payments] {SCE Comment: FCDS projects only.}, or SCE Penalties is incorrect as a result of inaccurate meters, the correction of data by the CAISO in OMAI, or a recalculation of CAISO Sanctions or other amounts owing between the Parties, Seller or SCE, as the case may be, shall promptly recomputed the Qualified Amounts, Metered Amounts, CAISO Revenues, Negative LMP Costs, CAISO Costs, CAISO Sanctions, [RA Deficit Payments] {SCE Comment: FCDS projects only.}, SCE Penalties or other amounts for the period of the inaccuracy based upon an adjustment of inaccurate meter readings, correction of data or recalculation of CAISO Sanctions in accordance with the CAISO Tariff and any payment affected by the adjustment or correction.

(b) **Adjustment of Payment.**

Any amount due from SCE to Seller, or Seller to SCE, as the case may be, will be made as an adjustment to the next monthly Payment Invoice that is calculated after Seller’s or SCE’s recomputation using corrected measurements.

If the recomputation results in a net amount owed to SCE after applying any amounts owing to Seller as shown on the next monthly Payment Invoice, any such amount owing to SCE will at SCE’s discretion be netted against amounts owed to Seller in any subsequent monthly Payment Invoice or separately invoiced to Seller, in which case Seller must pay the amount owing to SCE within twenty (20) days after receipt of that invoice.

SCE may make payment adjustments arising from a recalculation of CAISO Revenues, CAISO Costs, Negative LMP Costs, CAISO Sanctions, [RA Deficit Payments] {SCE Comment: Only applicable if Seller has chosen the option to make RA Deficit Payments.}, SCE Penalties, or as a result of inaccurate meters after the end of the Term Year, provided, the Parties will be deemed to have waived any such payment adjustments which are not communicated as provided in this Section 2.04 of this Exhibit E within twelve (12) months after the end of the month in which the Payment Invoice was issued containing the error. Adjustment payments for meter inaccuracy will not bear interest.

1.05 **Nutting Rights.**

SCE reserves the right to net amounts that would otherwise be due to Seller under this Agreement in payment of any amounts:
Southern California Edison

(a) Owing and unpaid by Seller to SCE under this Agreement; or
(b) Owed to SCE by Seller arising out of, or related to, any other SCE agreement, tariff, obligation or liability.

Nothing in this Section 1.05 of this Exhibit E limits SCE’s rights under applicable tariffs, other agreements or Applicable Law.

2. PAYMENT ERRORS

2.01 Notice of Error in Payment.

Except as provided in Section 1.04 of this Exhibit E, if within forty-five (45) days after receipt of SCE’s Payment, Seller does not give SCE Notice of an error in the payment amount, then Seller will be deemed to have waived any error in the payment.

2.02 Reimbursement for Underpayments and Overpayments.

If Seller identifies a payment error in Seller’s favor and SCE agrees that the identified error occurred, SCE shall reimburse Seller for the amount of the underpayment caused by the error and apply the additional payment to the next monthly Payment Invoice that is calculated.

If Seller identifies a payment error in SCE’s favor and SCE agrees that the identified error occurred, SCE may net the amount of overpayment caused by the error against amounts otherwise owed to Seller in connection with the next monthly Payment Invoice that is calculated.

2.03 Late Payments.

Late payments to Seller resulting from SCE’s errors, or overpayments to Seller by SCE, will include a Simple Interest Payment calculated using the Interest Rate and the number of days between the date due (or, in the case of overpayments by SCE, commencing five (5) Business Days from the date SCE provides Notice of such overpayments to Seller) and the date paid; provided, changes made because of settlement, audit or other information provided by the CAISO and not available to SCE when SCE rendered its original Payment Invoice will not bear interest.

2.04 Netting after Recomputation.

If the recomputation for an error results in a net amount still owing to SCE after applying the amounts owed to SCE against any amounts owed to Seller in the Payment Invoice, as described above, then SCE may, in its discretion, either net this net remaining amount owed to SCE against amounts owed to Seller in any subsequent monthly Payment Invoice to Seller or invoice Seller for such amount, in which case Seller must pay the amount owing to SCE within twenty (20) days after receipt of such invoice.

2.05 Resolution of Disputes.

The Parties shall negotiate in good faith to resolve any disputes regarding claimed errors in a Payment. Any disputes which the Parties are unable to resolve through negotiation may be submitted for resolution through the mediation and arbitration as provided in
Article Twelve. Upon resolution of the Dispute, any required payment shall be made within ten (10) Business Days of such resolution along with a Simple Interest Payment calculated using the Interest Rate from and including the due date but excluding the date paid.

*** End of EXHIBIT E ***
EXHIBIT F-1
Product Replacement Damage Amount

***SCE Comment: For Baseload Only.***

In accordance with the provisions of Section 3.07, if in any Term Year an Event of Deficient Energy Deliveries occurs over the Calculation Period, then Seller shall be subject to a Product Replacement Damage Amount penalty calculated as follows:

PRODUCT REPLACEMENT DAMAGE AMOUNT =

\[(A - B - C) \times (D - E)\]

Where:

\[A = \text{Seller’s Annual Energy Delivery Obligation in kWh.}\]
\[B = \text{Sum of Qualified Amounts over the Term Year in kWh.}\]
\[C = \text{Sum of Lost Output over the Term Year in kWh.}\]
\[D = \text{Simple average of the Green Market Price for all Settlement Intervals in the Term Year in $/kWh.}\]
\[E = \text{Product Price in Section 1.05(a), in $/kWh (i.e., $/MWh/1000).}\]

Notes:

1. In the above calculation, the result of “(D - E)” will not be greater than five cents ($0.05) per kWh or less than two cents ($0.02) per kWh.
2. In no event will SCE pay a Product Replacement Damage Amount.

*** End of EXHIBIT F ***
EXHIBIT F-2

Product Replacement Damage Amount

***SCE Comment: For Intermittent Only.***

In accordance with the provisions of Section 3.07, if at the end of any Term Year, commencing with the end of the second Term Year, an Event of Deficient Energy Deliveries occurs over the Calculation Period, then Seller shall be subject to a Product Replacement Damage Amount penalty calculated as follows:

PRODUCT REPLACEMENT DAMAGE AMOUNT = 
\[(A - B - C) \times (D - E)\]

Where:

A = Seller’s Energy Delivery Obligation in kWh.
B = Sum of Qualified Amounts over the Calculation Period in kWh.
C = Sum of Lost Output over the Calculation Period in kWh.
D = Simple average of the Green Market Price for all Settlement Intervals during the Calculation Period in $/kWh.
E = Product Price in Section 1.05(a), in $/kWh (i.e., $/MWh/1000).

Notes:

1. In the above calculation, the result of “(D - E)” will not be greater than five cents ($0.05) per kWh or less than two cents ($0.02) per kWh.
2. In no event will SCE pay a Product Replacement Damage Amount.

*** End of EXHIBIT F ***
## EXHIBIT G
Seller’s Milestone Schedule and Material Permits

### Seller’s Milestone Schedule

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Submits interconnection application.</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Files any land applications.</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Files Construction Permit application(s).</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Files a CEC Pre-Certification application.</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Files Material Permit applications.</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Receives a completed System Impact Study or Phase I Interconnection Study.</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Obtains control of all lands and rights-of-way comprising the Site.</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Receives a completed interconnection Facility Study or Phase II Interconnection Study.</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Executes an interconnection agreement and transmission/distribution service agreement, as applicable.</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Receives FERC acceptance of interconnection agreement and transmission agreement.</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Receives Construction Permit.</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Receives Material Permits.</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Receives CEC Pre-Certification.</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>Executes an Engineering, Procurement and Construction (&quot;EPC&quot;) contract.</td>
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<tr>
<td>15</td>
<td></td>
<td>Procures the [applicable electrical generating equipment] for the Generating Facility.</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>Completes financing, including construction financing.</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>Begins construction of the Generating Facility.</td>
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<tr>
<td>18</td>
<td></td>
<td>Begins startup activities.</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td>Commercial Operation Date.</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>Demonstrates the Contract Capacity [and Installed DC Rating] [SCE Note: For Solar Photovoltaic].</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>Receives CEC Certification.</td>
</tr>
<tr>
<td>No.</td>
<td>Permits</td>
<td></td>
</tr>
<tr>
<td>-----</td>
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<td>15</td>
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</tr>
</tbody>
</table>

*** End of EXHIBIT G ***
EXHIBIT H
Milestone Progress Reporting Form

Seller shall prepare a written report each month on its progress relative to the development construction and startup of the Generating Facility and the Milestone Schedule. The report must be sent via e-mail in the form of a single Adobe Acrobat file or facsimile to SCE’s Contract Administrator, as noted in Exhibit C, on the fifth (5th) Business Day after each month.

Seller’s obligation to complete a Milestone Progress Reporting Form for the preceding month and submit such report to SCE begins on the first day of the first full calendar month after the Effective Date of this Agreement and ends immediately after a Milestone Progress Reporting Form is completed and submitted for the month following the month in which Seller demonstrates the Contract Capacity [and Installed DC Rating] {SCE Note: Solar photovoltaic} in accordance with Exhibit J.

Each Milestone Progress Report must include the following items:

1. Cover page.
2. Brief Generating Facility description.
3. Site plan of the Generating Facility.
4. Description of any planned changes to the Generating Facility and Site Description in Exhibit B.
5. Bar chart schedule showing progress on achieving the Milestone Schedule.
6. PERT or GANT chart showing critical path schedule of major items and activities.
7. Summary of activities during the previous month.
8. Forecast of activities scheduled for the current month.
9. Written description about the progress relative to Seller’s Milestone Schedule.
10. List of issues that could potentially impact Seller’s Milestone Schedule.
11. Enumeration and schedule of any support or actions requested of SCE.
12. Progress and schedule of all agreements, contracts, Permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.
13. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Generating Facility performance including performance projections for the next twelve (12) months.
14. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Generating Facility, Transmission Provider’s electric system and all other interconnection utility services.

*** End of EXHIBIT H ***
EXHIBIT I

Time of Delivery Periods
and
Product Payment Allocation Factors

Time of Delivery Periods ("TOD Periods")

<table>
<thead>
<tr>
<th>TOD Period</th>
<th>Time of Day</th>
<th>Applicable Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Peak</td>
<td>2:00 p.m. – 8:00 p.m.</td>
<td>Weekdays except Holidays.</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>8:00 a.m. – 2:00 p.m.</td>
<td>Weekdays, Weekends and Holidays.</td>
</tr>
<tr>
<td></td>
<td>2:00 p.m. – 8:00 p.m.</td>
<td>Weekends and Holidays.</td>
</tr>
<tr>
<td></td>
<td>8:00 p.m. – 10:00 p.m.</td>
<td>Weekdays, Weekends and Holidays.</td>
</tr>
<tr>
<td>Super-Off-Peak</td>
<td>10:00 p.m. – 8:00 a.m.</td>
<td>Weekdays, Weekends and Holidays.</td>
</tr>
</tbody>
</table>

Product Payment Allocation Factors

<table>
<thead>
<tr>
<th>Season</th>
<th>TOD Period</th>
<th>Product Payment Allocation Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer</td>
<td>On-Peak</td>
<td>1.35</td>
</tr>
<tr>
<td>Jun 1st – Sep 30th</td>
<td>Off-Peak</td>
<td>1.08</td>
</tr>
<tr>
<td>Winter</td>
<td>Super-Off-Peak</td>
<td>0.86</td>
</tr>
<tr>
<td>Oct 1st – May 31st</td>
<td>On-Peak</td>
<td>1.18</td>
</tr>
<tr>
<td></td>
<td>Off-Peak</td>
<td>1.02</td>
</tr>
<tr>
<td></td>
<td>Super-Off-Peak</td>
<td>0.86</td>
</tr>
</tbody>
</table>


When any Holiday falls on a Sunday, the following Monday will be recognized as a Holiday. No change will be made for Holidays falling on Saturday.

*** End of EXHIBIT I ***
EXHIBIT J-1
Procedure for Demonstration of Contract Capacity and Partial or Full Return of Development Security

***SCE Comment: For Intermittent only.***

1. **Seller’s Notice of Demonstration Date.**

   Seller shall provide at least thirty (30) days prior Notice to SCE of the date selected by Seller (“Demonstration Date”), which Demonstration Date shall be no later than thirty (30) days following the Commercial Operation Date, during which Seller intends to demonstrate the Contract Capacity. Upon SCE’s request, Seller shall make reasonable efforts to reschedule the Demonstration Date.


   SCE shall complete a site visit on the Demonstration Date to verify that the Generating Facility was developed in accordance with the Generating Facility and Site Description set forth in Exhibit B and to determine the Demonstrated Contract Capacity [and the Demonstrated Installed DC Rating] {SCE Comment: For Solar Photovoltaic}. In order to determine the Demonstrated Contract Capacity, SCE shall calculate the total nameplate rating for the generating equipment that is installed at the Generating Facility.

3. **Full or Partial Return of Development Security for Demonstrating [Installed DC Rating] [SCE Comment: For Solar Photovoltaic] [Contract Capacity] [SCE Comment: For all technologies except Solar Photovoltaic].**

   Unless SCE provides timely Notice to Seller that additional days are required to substantiate data, SCE shall within ten (10) Business Days after SCE’s site visit pursuant to Section 2 of this Exhibit J:

   (a) Calculate the amount of Development Security refund due Seller pursuant to Sections 3.06(e) and 3.06(f);

   (b) Provide Notice to Seller of (i) the amount of the Demonstrated Contract Capacity [and the Demonstrated Installed DC Rating] {SCE Comment: For Solar Photovoltaic}, and (ii) the amount of Development Security being returned pursuant to this Section 3;

   (c) Return any Development Security due Seller if such Development Security were posted in the form of cash; and

   (d) Return the Letter of Credit to the issuing bank if the total amount of the posted Development Security is due Seller. If Seller is only entitled to a partial return of the Development Security SCE shall submit a drawing certificate on the Letter of Credit for the amount of Development Security forfeited by Seller, after which SCE shall release the remaining balance of the Letter of Credit.
To the extent Seller has posted Development Security in accordance with Section 3.06 and Seller is entitled to a partial return of the Development Security, SCE shall return only a portion of the Development Security based upon the level of the [Demonstrated Installed DC Rating] {SCE Comment: For Solar Photovoltaic} [Demonstrated Contract Capacity] {SCE Comment: For all technologies except Solar Photovoltaic}.

*** End of EXHIBIT J ***
EXHIBIT J-2
Procedure for Demonstration of Contract Capacity and Partial or Full Return of Development Security

***SCE Comment: For Baseload only.***

1. **Seller’s Notice of Demonstration Hour.**

Seller shall provide Notice to SCE of the date and hour selected by Seller, which hour must have occurred within thirty (30) days following the Commercial Operation Date, during which Seller claims it has demonstrated the applicable Contract Capacity (“Demonstration Hour”).

2. **Demonstration of Contract Capacity.**

   (a) Unless SCE provides timely Notice to Seller that additional days are required to substantiate data, SCE shall, within thirty (30) days after Seller’s Notice of the Demonstration Hour, retrieve interval data downloaded from the CAISO Approved Meter or Check Meter for the twelve (12) hour periods before and after the Demonstration Hour; and

   (b) SCE may, at its sole discretion, complete a site visit within thirty (30) days after SCE’s receipt of Seller’s Notice of the Demonstration Hour to verify that the Generating Facility was developed in accordance with the Generating Facility and Site Description set forth in Exhibit B.

3. **Full or Partial Return of Development Security for Demonstrating Contract Capacity.**

Unless SCE provides timely Notice to Seller that additional days are required to substantiate data, SCE shall within ten (10) Business Days after SCE’s site visit pursuant to Section 2 of this Exhibit J:

   (a) Calculate the amount of Development Security refund due Seller pursuant to Sections 3.06(e) and 3.06(f);

   (b) Provide Notice to Seller of (i) the amount of the Demonstrated Contract Capacity, and (ii) the amount of Development Security being returned pursuant to this Section 3;

   (c) Return any Development Security due Seller if such Development Security were posted in the form of cash; and

   (d) Return the Letter of Credit to the issuing bank if the total amount of the posted Development Security is due Seller. If Seller is only entitled to a partial return of the Development Security SCE shall submit a drawing certificate on the Letter of Credit for the amount of Development Security forfeited by Seller, after which SCE shall release the remaining balance of the Letter of Credit.

To the extent Seller has posted Development Security in accordance with Section 3.06 and Seller is entitled to a partial return of the Development Security, SCE shall return...
only a portion of the Development Security based upon the level of the Demonstrated Contract Capacity.

*** End of EXHIBIT J ***
Lost Output, as used in Section 3.21, shall be estimated by Seller in accordance with the procedures described in this Exhibit L.

Seller shall (i) collect the measurement data and perform the engineering calculations specified below in one (1) or more Microsoft Excel Workbooks (the “Lost Output Workbook”) provided in a form and naming convention approved by SCE and (ii) electronically send the Lost Output Workbook to an address provided by SCE.

SCE shall have the right to verify all data by inspecting measurement instruments and reviewing Generating Facility Operating records.

Seller shall update the Lost Output Workbook each month and shall include the latest revision of the Lost Output Workbook with its monthly Lost Output Report.

1. Log of Lost Output Events.

The log of Lost Output Events must be created on a single, dedicated worksheet that is arranged with:

(a) One (1) column for a unique Lost Output Event number;
(b) One (1) column for the Term Year number;
(c) One (1) column for the start date;
(d) One (1) column for the start time;
(e) One (1) column for the end date;
(f) One (1) column for the end time;
(g) One (1) column for the duration;
(h) One (1) column for the cause;
(i) One (1) column for the total of Metered Amounts during all of the Settlement Intervals of the Lost Output Event, recorded as set forth in Item 4(i) in this Exhibit K;
(j) One (1) column for the total of the Lost Output preliminary results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(j) in this Exhibit K;
(k) One (1) column for a percentage calculated by dividing the preliminary results set forth in Item 1(j) of this Exhibit K by the Metered Amounts set forth in Item 1(i) of this Exhibit K;

*** SCE Comment: Wind only. ***
(l) One (1) column for the total of the Lost Output final results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(k) in this Exhibit K; and

(m) One (1) row for each Lost Output Event.

2. Generating Facility Power Curve.

Seller shall create a Generating Facility Power Curve table on a single dedicated worksheet that is arranged with:

(a) One (1) column for an item number;

(b) One (1) column for the wind speeds;

(c) One (1) column for the manufacturer’s estimate of the electric energy that can be produced by a single Wind Turbine at each wind speed;

(d) One (1) column for a power curve which estimates the electric energy that could be produced by the entire Generating Facility at each wind speed calculated by:
   (i) *Multiplying* the Wind Turbine manufacturer’s estimate of the electric energy that will be produced by a single Wind Turbine, set forth in Item 2(c);
   (ii) *Times* the total number of Generating Facility Wind Turbines; and then
   (iii) *Adjusting* the results for the estimated impacts the Wind Turbines have on each other and for electric losses within the Generating Facility;

(e) One (1) column for each Term Year power curve which includes a simple average of all Metered Amount data points, set forth in Item 3(f) of this Exhibit K, at each wind speed; and

(f) One (1) row for each one half (0.5) meter per second wind speed.

Seller shall also create a single chart which plots all of power curves set forth in Item 2(d) and Item 2(e) of this Exhibit K on the Generating Facility Power Curve worksheet.

3. Wind Speed Data Collection.

Seller shall record average Settlement Interval wind speeds, in increments of one half (0.5) meters per second, and Metered Amounts for the Settlement Interval in the Lost Output Workbook on individual Term Year worksheets.

Each Term Year worksheet must be arranged with:

(a) One (1) column for an item number;

(b) One (1) column for the date;

(c) One (1) column for the beginning time;

(d) One (1) column for the weekday;
4. **Detailed Estimate of Lost Output.**

Seller’s detailed estimate of the Lost Output amounts during the Term shall be presented on a single worksheet organized as follows:

(a) One column for an item number;
(b) One (1) column for the Lost Output Event number;
(c) One (1) column for the state date;
(d) One (1) column for the start time;
(e) One (1) column for the end date;
(f) One (1) column for the end time;
(g) One (1) column for the weekday;
(h) One (1) column for the wind speeds;
(i) One (1) column for Metered Amounts;
(j) One (1) column for a *preliminary* estimate of the Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event calculated by:
   (i) *Multiplying* the wind speed:
   (ii) *Times* the appropriate initial power curve as follows:
      (1) For the first eleven (11) months of the first Term Year the appropriate initial power curve shall be the power curve set forth in Item 2(d) of this Exhibit K;
      (2) For the first eleven (11) months of any Term Year, other than the first Term Year, the appropriate initial power curve shall be the power curve set forth in Item 2(e) of this Exhibit K for the previous Term Year;

(k) One (1) column for a *final* estimate of the Metered Amounts that would have been produced by the Generating facility, but for the Lost Output Event calculated by:
   (i) *Multiplying* the wind speed;
   (ii) *Times* the *final* power curve from Item 2(e) of this Exhibit K for the Term Year being calculated;

(l) One (1) column for the *preliminary* estimate of Lost Output calculated by:
(i) Subtracting the actual Metered Amounts set forth in Item 4(i) of this Exhibit K;
(ii) From the preliminary estimate of the Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event, calculated in Item 4(j); and

(m) One (1) column for the final estimate of Lost Output calculated by:
   (i) Subtracting the actual Metered Amounts set forth in Item 4(i) of this Exhibit K;
   (ii) From the final estimate of Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event, calculated in Item 4(k) of this Exhibit K; and

(n) One (1) row for each Settlement Interval.

5. Generating Facility Efficiency Calculation.

Seller shall calculate a Generating Facility efficiency value for each calendar month and each Term Year on a dedicated worksheet organized with three tables.

(a) The first table must contain the monthly Metered Amount totals and must consist of:
   (i) One (1) column for the month number;
   (ii) One (1) column for the month name;
   (iii) One (1) column for the year number;
   (iv) One (1) column for the monthly Metered Amount totals for each Term Year from the wind speed data collection worksheet column set forth in Item 3(f) of this Exhibit K; and
   (v) One (1) row for each month;

(b) The second table must contain the monthly totals of forecasted Metered Amount and must consist of:
   (i) One (1) column for the month number;
   (ii) One (1) column for the month name;
   (iii) One (1) column for the year number;
   (iv) One (1) column for the monthly totals of forecasted Metered Amount for each Term Year from the wind speed data collection worksheet column set forth in Item 4(j) of this Exhibit K; and
   (v) One (1) row for each month; and

(c) The third table must contain monthly Metered Amount totals and must consist of:
(i) One (1) column for the month number;
(ii) One (1) column for the month name;
(iii) One (1) column for the year number;
(iv) One (1) column for a monthly Generating Facility efficiency result and a Term Year Generating Facility efficiency results calculated by:
    (1) Dividing the appropriate value in the first table;
    (2) By the appropriate value in the second table;
(v) One (1) row for each month; and
(vi) One (1) row for the Term Year Generating Facility efficiency results.

6. **Periodic Review of Lost Output Calculation.**

At least once per Term Year, SCE shall review the variation in the Lost Output preliminary and final results to determine if other variables, including temperature, ambient pressure, humidity, precipitation or other parameters measured pursuant to Exhibit O, should be incorporated into the Lost Output calculations.

7. **Assignment of Lost Output Estimate to an Independent Consultant.**

The Parties can by mutual agreement elect to have the estimate of Lost Output prepared by an independent consultant.

*** End of EXHIBIT K ***
EXHIBIT K-2a
Seller’s Estimate of Lost Output

*** SCE Comment: Solar Thermal only. ***

Lost Output, as used in Section 3.21, shall be estimated by Seller in accordance with the procedures described in this Exhibit K.

Seller shall (1) collect the measurement data and perform the engineering calculations specified below in one (1) or more Microsoft Excel Workbooks (the “Lost Output Workbook”) provided in a form and naming convention approved by SCE and (2) electronically send the Lost Output Workbook to an address provided by SCE.

SCE shall have the right to verify all data by inspecting measurement instruments and reviewing Generating Facility Operating records.

Seller shall update the Lost Output Workbook each month and shall include the latest revision of the Lost Output Workbook with its monthly Lost Output Report.

1. Log of Lost Output Events.

The log of Lost Output Events must be created on a single, dedicated worksheet that is arranged with:

(a) One (1) column for a unique Lost Output Event number;
(b) One (1) column for the Term Year number;
(c) One (1) column for the start date;
(d) One (1) column for the start time;
(e) One (1) column for the end date;
(f) One (1) column for the end time;
(g) One (1) column for the duration;
(h) One (1) column for the cause;
(i) One (1) column for the total of Metered Amounts during all of the Settlement Intervals of the Lost Output Event, recorded as set forth in Item 4(i) in this Exhibit K;
(j) One (1) column for the total of the Lost Output preliminary results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(m) in this Exhibit K;
(k) One (1) column for the total of the Lost Output final results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(n) in this Exhibit K; and
(l) One (1) row for each Lost Output Event.
2. **Generating Facility Power Curve.**

   Seller shall create a Generating Facility Power Curve table on a single dedicated worksheet that is arranged with:

   (a) One (1) column for an item number;

   (b) One (1) column for the direct normal insolation;

   (c) One (1) column for the manufacturer’s estimate of the electric energy that can be produced by a single Solar Generating Unit at each increment of direct normal insolation;

   (d) One (1) column for a power curve which estimates the electric energy that could be produced by the entire Generating Facility at each direct normal insolation increment calculated by:

      (i) *Multiplying* the Solar Generating Unit manufacturer’s estimate of the electric energy that will be produced by a single Solar Generating Unit, set forth in Item 2(c);

      (ii) *Times* the total number of Generating Facility Solar Generating Unit; and then

      (iii) *Adjusting* the results for the estimated impacts of one (1) Solar Generating Unit on another and for electric losses within the Generating Facility;

   (e) One (1) column for each Term Year power curve which includes a simple average of all Metered Amount data points, set forth in Item 3(f), at each direct normal insolation increment; and

   (f) One (1) row for each watt-hour per square meter.

   Seller shall also create a single chart which plots all of power curve set forth in Item 2(d) and Item 2(e) of this Exhibit K on the Generating Facility Power Curve worksheet.

3. **Direct Normal Insolation Data Collection.**

   Seller shall record Settlement Interval direct normal insolation, in watt-hours per square meter, and Metered Amounts in the Settlement Interval in the Lost Output Workbook on individual Term Year worksheets.

   Each Term Year worksheet must be arranged with:

   (a) One (1) column for an item number;

   (b) One (1) column for the date;

   (c) One (1) column for the beginning time;

   (d) One (1) column for the weekday;

   (e) One (1) column for each recorded direct normal insolation measurement;

   (f) One (1) column for each Metered Amounts quantity;
(g) One (1) column for a forecast of Metered Amounts determined by:
   (i) Multiplying the recorded direct normal insolation measurement set forth in Item 3(e) of this Exhibit K;
   (ii) Times the appropriate value in the Generating Facility Power Curve, set forth in Item 2(e) of this Exhibit K, for the first Term Year;

(h) One (1) column for the number of Solar Generating Units in service; and

(i) One (1) row for each Settlement Interval period.

4. Detailed Estimate of Lost Output.

Seller’s detailed estimate of the Lost Output amounts during the Term shall be presented on a single worksheet organized as follows:

(a) One column for an item number;

(b) One (1) column for the Lost Output Event number;

(c) One (1) column for the state date;

(d) One (1) column for the start time;

(e) One (1) column for the end date;

(f) One (1) column for the end time;

(g) One (1) column for the weekday;

(h) One (1) column for the direct normal insolation;

(i) One (1) column for Metered Amounts;

(j) One (1) column for the number of Solar Generating Units in service;

(k) One (1) column for a preliminary estimate of the Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event:
   (i) Multiplying the direct normal insolation:
   (ii) Times the appropriate initial power curve as follows:
      (1) For the first eleven (11) months of the first Term Year the appropriate initial power curve must be the power curve set forth in Item 2(d) of this Exhibit K;
      (2) For the first eleven (11) months of any Term Year, other than the first Term Year, the appropriate initial power curve must be the power curve set forth in Item 2(e) of this Exhibit K for the previous Term Year;

(l) One (1) column for a final estimate of the Metered Amounts that would have been produced by the Generating facility, but for the Lost Output Event calculated by:
   (i) Multiplying the direct normal insolation;
5. **Generating Facility Performance Factor Calculation.**

Seller shall calculate a Generating Facility Efficiency value for each calendar month and each Term Year on a dedicated worksheet organized with three tables.

(a) The first table must contain the monthly Metered Amount totals and must consist of:

(i) One (1) column for the month number;

(ii) One (1) column for the month name;

(iii) One (1) column for the year number;

(iv) One (1) column for the monthly Metered Amount totals for each Term Year from the direct normal insolation data collection worksheet column set forth in Item 3(f) of this Exhibit K; and

(v) One (1) row for each month;

(b) The second table must contain the monthly totals of forecasted Metered Amount and must consist of:

(i) One (1) column for the month number;

(ii) One (1) column for the month name;

(iii) One (1) column for the year number;

(iv) One (1) column for the monthly totals of forecasted Metered Amount for each Term Year from the direct normal insolation data collection worksheet column set forth in Item 3(g) of this Exhibit K; and
The third table must contain monthly Metered Amount performance factors and must consist of:

(i) One (1) column for the month number;
(ii) One (1) column for the month name;
(iii) One (1) column for the year number;
(iv) One (1) column for a monthly Generating Facility performance factor result and a Term Year Generating Facility performance factor results calculated by:

(1) Dividing the appropriate value in the first table;
(2) By the appropriate value in the second table;

(v) One (1) row for each month; and
(vi) One (1) row for the Term Year Generating Facility performance factor results.

At least once per Term Year, SCE shall review the variation in the Lost Output preliminary and final results to determine if other variables, including temperature or other parameters measured pursuant to Exhibit O, should be incorporated into the Lost Output calculations.

7. Assignment of Lost Output Estimate to an Independent Consultant.
The Parties can by mutual agreement elect to have the estimate of Lost Output prepared by an independent consultant.

*** End of EXHIBIT K ***
EXHIBIT K-2b
Seller’s Estimate of Lost Output

*** SCE Comment: Solar Photovoltaic only. ***

Lost Output, as used in Section 3.21, shall be estimated by Seller in accordance with the procedures described in this Exhibit K.

Seller shall (1) collect the measurement data and perform the engineering calculations specified below in one (1) or more Microsoft Excel Workbooks (the “Lost Output Workbook”) provided in a form and naming convention approved by SCE and (2) electronically send the Lost Output Workbook to an address provided by SCE.

SCE shall have the right to verify all data by inspecting measurement instruments and reviewing Generating Facility Operating records.

Seller shall update the Lost Output Workbook each month and shall include the latest revision of the Lost Output Workbook with its monthly Lost Output Report.

1. Log of Lost Output Events.

   The log of Lost Output Events must be created on a single, dedicated worksheet that is arranged with:

   (a) One (1) column for a unique Lost Output Event number;

   (b) One (1) column for the Term Year number;

   (c) One (1) column for the start date;

   (d) One (1) column for the start time;

   (e) One (1) column for the end date;

   (f) One (1) column for the end time;

   (g) One (1) column for the duration;

   (h) One (1) column for the cause;

   (i) One (1) column for the total of Metered Amounts during all of the Settlement Intervals of the Lost Output Event, recorded as set forth in Item 4(i) in this Exhibit K;

   (j) One (1) column for the total of the Lost Output preliminary results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(m) in this Exhibit K;

   (k) One (1) column for the total of the Lost Output final results during all of the Settlement Intervals of the Lost Output Event, calculated as set forth in Item 4(n) in this Exhibit K; and

   (l) One (1) row for each Lost Output Event.
2. Generating Facility Energy Yield Curve.

   Seller shall create a Generating Facility Energy Yield Curve table on a single dedicated worksheet that is arranged with:

   (a) One (1) column for an item number;
   (b) One (1) column for the plane of array insolation;
   (c) One (1) column for the manufacturer’s estimate of the electric energy that can be produced by a single Inverter Block Unit at each increment of plane of array insolation;
   (d) Multiple columns for an energy yield curve which estimates the electric energy that could be produced by the entire Generating Facility at each plane of array insolation increment and number of in service Inverter Block Units calculated by:
      (i) Multiplying the Inverter Block Unit manufacturer’s estimate of the electric energy that will be produced by a single unit, set forth in Item 2(c);
      (ii) Times the total number of in service Inverter Block Units; and then
      (iii) Adjusting the results for the estimated impacts of one (1) Inverter Block Unit on another and for electric losses within the Generating Facility;
   (e) Multiple columns for each Term Year energy yield curve which includes a simple average of all Metered Amount data points, set forth in Item 3(f), at each plane of array insolation increment and number of in service Inverter Block Units; and
   (f) One (1) row for each watt-hour per square meter of plane of array insolation.

   Seller shall also create a single chart which plots all of energy yield curves set forth in Item 2(d) and Item 2(e) of this Exhibit K on the Generating Facility Energy Yield Curve worksheet.

3. Plane of Array Insolation Data Collection.

   Seller shall record Settlement Interval plane of array insolation, in watt-hours per square meter, and Metered Amounts in the Settlement Interval in the Lost Output Workbook on individual Term Year worksheets.

   Each Term Year worksheet must be arranged with:

   (a) One (1) column for an item number;
   (b) One (1) column for the date;
   (c) One (1) column for the beginning time;
   (d) One (1) column for the weekday;
   (e) One (1) column for each recorded plane of array insolation measurement;
   (f) One (1) column for each Metered Amounts quantity;
(g) One (1) column for a forecast of Metered Amounts determined by:
   (i) *Multiplying* the recorded plane of array insolation measurement set forth in Item 3(e) of this Exhibit K;
   (ii) *Times* the appropriate value in the Generating Facility Energy Yield Curve, set forth in Item 2(e) of this Exhibit K, for the first Term Year;
(h) One (1) column for the number of Inverter Blocks in service; and
(i) One (1) row for each Settlement Interval period.

4. **Detailed Estimate of Lost Output.**

Seller’s detailed estimate of the Lost Output amounts during the Term shall be presented on a single worksheet organized as follows:

(a) One column for an item number;
(b) One (1) column for the Lost Output Event number;
(c) One (1) column for the state date;
(d) One (1) column for the start time;
(e) One (1) column for the end date;
(f) One (1) column for the end time;
(g) One (1) column for the weekday;
(h) One (1) column for the plane of array insolation;
(i) One (1) column for Metered Amounts;
(j) One (1) column for the number of Inverter Block Units in service.
(k) One (1) column for a *preliminary* estimate of the Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event:
   (i) *Multiplying* the plane of array insolation;
   (ii) *Times* the appropriate initial energy yield curve as follows:
      (1) For the first eleven (11) months of the first Term Year the appropriate initial energy yield curve must be the energy yield curve set forth in Item 2(d) of this Exhibit K;
      (2) For the first eleven (11) months of any Term Year, other than the first Term Year, the appropriate initial energy yield curve must be the energy yield curve set forth in Item 2(e) of this Exhibit K for the previous Term Year;
(l) One (1) column for a *final* estimate of the Metered Amounts that would have been produced by the Generating facility, but for the Lost Output Event calculated by:
   (i) *Multiplying* the plane of array insolation;
(ii) *Times* the final energy yield curve from Item 2(e) of this Exhibit K for the Term Year being calculated;

(m) One (1) column for the preliminary estimate of Lost Output calculated by:
   (i) *Subtracting* the actual Metered Amount quantities set forth in Item 4(i) of this Exhibit K;
   (ii) *From* the preliminary estimate of the Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event, calculated in Item 4(k); and

(n) One (1) column for the final estimate of Lost Output calculated by
   (i) *Subtracting* the actual Metered Amount quantities set forth in Item 4(i) of this Exhibit K;
   (ii) *From* the estimate of Metered Amounts that would have been produced by the Generating Facility, but for the Lost Output Event, calculated in Item 4(l) of this Exhibit K; and

(o) One (1) row for each Settlement Interval.

5. **Generating Facility Performance Factor Calculation.**

Seller shall calculate a Generating Facility Performance Factor value for each calendar month and each Term Year on a dedicated worksheet organized with three tables.

(a) The first table must contain the monthly Metered Amount totals and must consist of:
   (i) One (1) column for the month number;
   (ii) One (1) column for the month name;
   (iii) One (1) column for the year number;
   (iv) One (1) column for the monthly Metered Amount totals for each Term Year from the plane of array insolation data collection worksheet column set forth in Item 3(f) of this Exhibit K; and
   (v) One (1) row for each month;

(b) The second table must contain the monthly totals of forecasted Metered Amount and must consist of:
   (i) One (1) column for the month number;
   (ii) One (1) column for the month name;
   (iii) One (1) column for the year number;
   (iv) One (1) column for the monthly totals of forecasted Metered Amount for each Term Year from the plane of array insolation data collection worksheet column set forth in Item 3(g) of this Exhibit K; and

At least once per Term Year, SCE shall review the variation in the Lost Output preliminary and final results to determine if other variables, including temperature, precipitation, solar altitude or azimuth angles or other parameters measured pursuant to Exhibit O, should be incorporated into the Lost Output calculations.

7. Assignment of Lost Output Estimate to an Independent Consultant.

The Parties can by mutual agreement elect to have the estimate of Lost Output prepared by an independent consultant.

*** End of EXHIBIT K ***
EXHIBIT K-3
Seller’s Estimate of Lost Output

*** SCE Comment: Biomass only. ***

Lost Output, as used in Section 3.21, shall be estimated by Seller in accordance with the procedures described in this Exhibit K.

Seller shall (1) collect the measurement data and perform the engineering calculations specified below in one (1) or more Microsoft Excel Workbooks (the “Lost Output Workbook”) provided in a form and naming convention approved by SCE and (2) electronically send the Lost Output Workbook to an address provided by SCE.

SCE shall have the right to verify all data by inspecting measurement instruments and reviewing Generating Facility Operating records.

Seller shall update the Lost Output Workbook each month and shall include the latest revision of the Lost Output Workbook with its monthly Lost Output Report.

1. **Log of Lost Output Events.**
   
   The log shall be kept on a single Worksheet in the Lost Output Workbook. Such log shall identify the date, time, duration, cause and amount by which the Generating Facility’s output was curtailed for each Lost Output Event.

2. **Data Collection.**
   
   Seller shall record all hourly Metered Amounts, during the Term, in the Lost Output Workbook on a single worksheet labeled “Metered Amounts”.

   The worksheet shall be arranged with:
   
   (a) One (1) column for the date;
   (b) One (1) column for the time;
   (c) One (1) column for the weekday;
   (d) One (1) column for the recorded Metered Amounts for each Term Year; and
   (e) One (1) row for each one (1) hour period during the Term Year.

   Seller shall also identify, on a worksheet labeled “Lost Output Hours” and organized in a manner similar to the Metered Amounts worksheet described above, all hours when the Generating Facility’s Metered Amounts were reduced due to any of the conditions or occurrences enumerated in the definition of Lost Output.

3. **Generating Facility Monthly Profiles.**
   
   Seller shall create a profile of the estimated Generating Facility’s Metered Amounts during an average week of each month during the Term (the “Monthly Profile”).
Monthly Profiles shall include the seven (7) day period beginning at midnight on Sunday and ending at midnight on the following Saturday. They shall have a total of 168 average hourly Metered Amount periods (i.e., 7 days times 24 hours per day equals 168 hourly periods).

Each Monthly Profile shall be created by averaging the Metered Amounts during the same one (1) hour interval of each day of the week within the month of the current Term Year and up to the three preceding Term Years, if available.

All hours during which the Generating Facility’s Metered Amounts were reduced due to any of the conditions or occurrences enumerated in the definition of Lost Output must be removed from the Monthly Profile.

If a Monthly Profile is incomplete because of missing hourly averages or if more than one half (1/2) of the one (1) hour averages are calculated using less than three (3) hourly Metered Amounts, the Monthly Profile for that month shall be based upon a comparable winter season or summer season month, as appropriate, agreed upon by the Parties for the Term Year in which the Lost Output amount is being calculated.

All Term Year Monthly Profiles, for the same calendar month, shall be calculated on a worksheet dedicated to that month.

Worksheets shall be labeled “Jan Profile,” “Feb Profile,” etc. Each of the twelve (12) profile worksheets shall have one (1) column for the weekday, one (1) column for the time, one (1) column for each Term Year Monthly Profile and one (1) row for each of the one hundred sixty-eight (168) hourly periods.

Seller shall also create twelve (12) line charts, one for each calendar month, on dedicated worksheets formatted with the charts sized to fit on the worksheet. Each chart shall include one data series for each Term Year. Chart sheets shall be labeled “Jan Chart,” “Feb Chart,” etc.

4. Seller’s Estimate of Lost Output.

Lost Output shall be estimated by Seller for all Term Years on one worksheet labeled “Lost Output Events”.

The worksheet shall include:

(a) One (1) column for the date;
(b) One (1) column for the time;
(c) One (1) column for the weekday;
(d) One (1) column for Seller’s Lost Output estimate for each Term Year; and
(e) One (1) row for each one (1) hour period during the Term Year.

Seller’s estimate of Lost Output, for any hour during which the Generating Facility was not offline due to any of the conditions or occurrences enumerated in the definition of Lost Output shall be equal to the Metered Amount average included in the Monthly
Profile for the same hour, of the same weekday, of the month in the same Term Year in which the Lost Output Event occurred less any Metered Amounts during the hour.

Seller shall summarize its Lost Output calculation results on a one (1) worksheet that has one (1) column for the month, one (1) column for each Term Year and one (1) row for each calendar month. Seller’s claim for Lost Output, at the end of any Term Year, shall be equal to the sum of the monthly Lost Output amounts, for the appropriate Term Year column, on this summary worksheet. This worksheet shall be labeled “Lost Output Summary.”

SCE reserves the right to recalculate any Lost Output estimated by Seller.

*** End of EXHIBIT K ***
EXHIBIT K-4
Seller’s Estimate of Lost Output

*** SCE Comment: Geothermal only. ***

Lost Output, as used in Section 3.21, shall be estimated by Seller in accordance with the procedures described in this Exhibit K.

Seller shall (1) collect the measurement data and perform the engineering calculations specified below in one (1) or more Microsoft Excel Workbooks (the “Lost Output Workbook”) provided in a form and naming convention approved by SCE and (2) electronically send the Lost Output Workbook to an address provided by SCE.

SCE shall have the right to verify all data by inspecting measurement instruments and reviewing Generating Facility Operating records.

Seller shall update the Lost Output Workbook each month and shall include the latest revision of the Lost Output Workbook with its monthly Lost Output Report.

1. **Data Collection.**

   Seller shall record average hourly measurements for the following Generating Facility Operating parameters and geothermal fluid (“geofluid”) working conditions.

   Each parameter shall be input into a dedicated worksheet in the Lost Output Workbook which shall be arranged with one (1) column for each Term Year and one (1) row for each hour.

   (a) **Ambient Weather Conditions.**

      (i) Wind speed in miles per hour;

      (ii) Wind direction in degrees measured clockwise from North;

      (iii) Wet bulb temperature in degrees Fahrenheit,

      (iv) Dry bulb temperature in degrees Fahrenheit; (Variable “t” below); and

      (v) Barometric pressure in inches Hga.

   (b) **Generating Facility Operating Data.**

      (i) Metered Amounts in kWh, (Variable “A” below.);

      (ii) Sum of all geofluid mass flows at the wellhead in pounds per hour, (Variable “Q₀” below);

      (iii) Average geofluid temperature at the wellhead in degrees Fahrenheit;

      (iv) Average geofluid pressure at the wellhead in psia;

      (v) Average temperature of the lowest pressure steam separator drain fluid in degrees Fahrenheit;
2. Utilization Factors.

(a) Calculation of Hourly Utilization Factors.

Seller shall determine the efficiency level at which the Generating Facility was able to convert the geofluid thermal energy into electric energy by calculating a utilization factor (“Utilization Factor”) for each operating hour on a dedicated Worksheet organized in a manner similar to that described in Item 1.

Hourly Utilization Factors shall be calculated as the ratio of the Metered Amounts to the maximum net electric energy production that the Generating Facility could possibly produce from the energy in the geofluid when using wellhead conditions and atmospheric (sink) conditions (“Theoretical Maximum Output”).

Utilization Factor is further defined in ASTM E 974-00 “Standard Guide for Specifying Thermal Performance of Geothermal Systems.”

\[
\text{UTILIZATION FACTOR ("U" in percent) = \( \frac{A_{\text{meter}}}{B} \)}
\]

Where:

- \( A_{\text{meter}} \) = Metered Amounts in kWh per hour. (Item 1(b)(i) above.)
- \( B \) = Theoretical Maximum Output in kWh per hour, as defined in Item 2b below.

(b) Calculation of Hourly Theoretical Maximum Output.

\[
\text{THEORETICAL MAXIMUM OUTPUT (B) in kWh = \( Q_0 \times E_i \times F \)}
\]

Where:

- \( Q_0 \) = Sum of all wellhead mass flow rates in pounds per hour. (Item 1(b)(ii) above.)
- \( E_i \) = Ideal Specific Work available to the process within natural bounds of the environment in Btu per pound, as defined below in Item 2c.
- \( F \) = Conversion factor equal to 1 kWh per 3413 Btu.

(c) Calculation of Ideal Specific Work.

The theoretical maximum amount of work that the Generating Facility could perform with the energy from the geofluid (“Ideal Specific Work”) shall be calculated by using the following formula:

\[
\text{IDEAL SPECIFIC WORK (E_i) in Btu per pound} = (h_0 - h_a) - T_a (s_0 - s_a)
\]

Where:

(vi) Average geofluid temperature at the re-injection point in degrees Fahrenheit;

(vii) Average geofluid pressure at the re-injection point in psia; and

(viii) Average steam turbine condenser pressure in psia.
ho, ha = Geofluid enthalpies at the inlet and sink conditions, in Btu per pound.

so, sa = Geofluid entropies at inlet and sink conditions, in Btu per pound degree Rankine.

Ta = Sink (atmosphere) absolute temperature in degrees Rankine
(i.e., 1° Rankine = 1° Fahrenheit + 459° or 
Ta = t +459°).

Seller shall incorporate the mechanical engineering references for determining enthalpy and entropy values into one (1) or more Lost Output Workbook tables and shall link these tables to the appropriate algorithms using Excel’s lookup functions.

3. Data Summaries.

Seller shall summarize the data for each hourly recorded measurement and the results of the hourly calculations for Utilization Factor and Ideal Specific Work, in individual summary tables.

Each summary table shall be organized with:

(a) One (1) column for each Term Year; and
(b) One (1) row for each calculation result.

There shall be 288 rows for each year which shall correspond to the 288 calculations associated with determining an average 24 hour day for each of the 12 calendar months.

Seller shall also create one (1) graph for each table of values. Each graph shall include one (1) data series for each Term Year.

4. Data Analysis.

Seller shall derive a table with 288 average hourly values (i.e., one set of 24 average hourly values for each of the 12 calendar months.) which correlates the relationship between the wet bulb temperature in degrees Fahrenheit and Metered Amounts in kWh per hour for each average day of each month for each Term Year.

Seller also shall graph the table values on a dedicated Excel Worksheet that has one data series for each Term Year.

5. Calculation of Lost Output When Wellhead Data are Available.

If all required Generating Facility Operating data measurements have been accurately recorded in the Lost Output Workbook, Seller’s claim for Lost Output shall be equal to the total of the hourly Lost Output values calculated in accordance with the following formula.

The hourly wellhead mass flow rates shall be based upon actual recorded measurements. The hourly Ideal Specific Work values shall be calculated using the hourly measurements
of geofluid enthalpies \((h_0, h_a)\) and entropies \((s_0, s_a)\), and the atmospheric temperature \((T_a)\).

Each hourly Utilization Factors \((U)\) shall be individually derived from the collected data by finding the closest historical match between the ambient temperatures and geofluid conditions.

**HOURLY LOST OUTPUT**

\[
A_{\text{Lost}} \text{ in kWh per hour} = U \times F \times Q_o \times E - \text{Metered Amounts or}
\]

\[
A_{\text{Lost}} = U \times F \times Q_o \times \left[ (h_0 - h_a) - T_a \times (s_0 - s_a) \right] - \text{Metered Amounts}
\]

**TOTAL LOST OUTPUT** \((A_{\text{Total}})\) in kWh = Error! Bookmark not defined.

\[
\sum_{t=\text{First}}^{\text{Last}} A_{\text{Lost}}
\]

6. **Calculation of Lost Output When Wellhead Data are Not Available.**

If Seller believes that the geofluid collected data are unreliable because of a decline in the potential energy at the wellhead due to a Seller decision to throttle the geofluid flow rate during a period of Lost Output, Seller shall calculate its claim for Lost Output using the formula in Item 5 above and calculated amounts for hourly geofluid mass flow rates \((Q_o)\), enthalpy \((h_o)\) and entropy \((s_o)\) values.

The calculated amounts for geofluid mass flow rate \((Q_o)\), enthalpy values \((h_o)\) and entropy values \((s_o)\) shall be equal to the average values calculated for the one hundred forty-four (144) hour period that includes the seventy-two hour (72) period before the Lost Output period and the seventy-two (72) hour period that begins forty-eight (48) hours after the end of the Lost Output period.

7. **Seller’s Analysis of the Calculations Results.**

Seller may submit an alternate set of calculations with its Lost Output claim along with a written description of why it believes that the results of the Lost Output calculations described above do not provide an accurate estimate of the Metered Amounts that the Generating Facility would have sold to SCE, but for the conditions listed in the definition of “Lost Output” set forth in Exhibit A.

8. **SCE Review of Sellers Lost Output Calculations.**

SCE shall not be obligated to accept either the Lost Output quantity estimated by Seller in accordance with the procedures outlined in this exhibit or estimated by Seller in accordance with some other method.

SCE shall have the right to review all of Seller’s measured data and calculation results, to revise any or all of Seller’s calculations or to develop its own calculations for estimating Seller’s Lost Output.

If SCE does not accept Seller’s estimate of its Lost Output, SCE shall provide Notice to Seller of its decision along with a copy of its calculations as soon as practicable.
*** End of EXHIBIT K ***
EXHIBIT L
Form of Letter of Credit

IRREVOCABLE NON-TRANSFERABLE STANDBY

LETTER OF CREDIT

Reference Number:

Transaction Date:

BENEFICIARY:

Southern California Edison Company

2244 Walnut Grove Avenue

Risk Control GO#1, Quad 1D

Rosemead, CA 91770

Ladies and Gentlemen:

___________________________ (the “Bank”) hereby establishes this Irrevocable Non-transferable Standby Letter of Credit (“Letter of Credit”) in favor of Southern California Edison Company, a California corporation (the “Beneficiary”), for the account of ____________________________, a ____________ corporation, also known as RAP ID# ___ (the “Applicant”), for the amount of XXX AND XX/100 Dollars ($______________) (the “Available Amount”), effective immediately.

This Letter of Credit shall be of no further force or effect at 5:00 p.m., California time, on [Date] or, if such day is not a Business Day (as hereinafter defined), on the next Business Day (as may be extended pursuant to the terms of this Letter of Credit, the “Expiration Date”).

For the purposes hereof, “Business Day” shall mean any day on which commercial banks are not authorized or required to close in Los Angeles, California.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for a one year period (or, if such period ends on a day that is not a Business Day, until the next Business Day thereafter) beginning on the present Expiration Date hereof and upon

The contents of this document are subject to restrictions on disclosure as set forth herein.
each anniversary of such date (or, if such period ends on a day that is not a Business Day, until the next Business Day thereafter), unless at least sixty (60) days prior to any such Expiration Date, Bank has sent Beneficiary written notice, at the address provided below, that Bank elects not to permit this Letter of Credit to be so extended, and will expire on its then-current Expiration Date. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by valid presentation on or before 5:00 p.m. California time, on or before the Expiration Date of the following:

1. A copy of this Letter of Credit and all amendments; and

2. A copy of the Drawing Certificate in the form of Attachment A attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the signature of an authorized representative of the Beneficiary.

Any full or partial drawing hereunder may be requested by transmitting copies of the requisite documents as described above to the Bank by facsimile at [facsimile number for draws] or such other number as specified from time-to-time by the Bank.

The facsimile transmittal shall be deemed delivered when received. Drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; provided, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment shall be void and of no force or effect.

All correspondence and any drawings (other than those made by facsimile) hereunder are to be directed to [Bank address/contact].

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: Southern California Edison Company, Manager of Credit Risk and Collateral, 2244 Walnut Grove Avenue, GO1 Quad 1D, Rosemead, California 91770. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

Banking charges shall be the sole responsibility of the Applicant.
This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment. Except in the case of an increase in the Available Amount, this Letter of Credit may not be amended or modified without the Beneficiary’s prior written consent.

The Bank engages with the Beneficiary that Beneficiary’s drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the “ISP”). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws thereunder, shall govern all matters with respect to this Letter of Credit.

AUTHORIZED SIGNATURE for Bank

________________________________________

(Name)

Title: ______________________________
ATTACHMENT A
Drawing Certificate

TO [ISSUING BANK NAME]

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT

No. ____________________

DRAWING CERTIFICATE

Bank

Bank Address

Subject: Irrevocable Non-transferable Standby Letter of Credit

Reference Number: ____________________

The undersigned ____________________, an authorized representative of Southern California Edison Company (the “Beneficiary”), hereby certifies to [Issuing Bank Name] (the “Bank”), and ____________________ (the “Applicant”), with reference to Irrevocable Non-transferable Standby Letter of Credit No. {__________}, dated ________________, (the “Letter of Credit”), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

1. The Beneficiary is entitled to draw under the Letter of Credit an amount equal to $______________, for the following reason(s) [check applicable provision]:

   [ ]A. An Event of Default, as defined in that certain Renewable Power Purchase Agreement between Applicant and Beneficiary, dated as of [Date of Execution] (as may be amended from time to time, the “Agreement”), with respect to the Applicant has occurred and is continuing.

   [ ]B. An Early Termination Date (as defined in the Agreement) has occurred or been designated as a result of an Event of Default (as defined in the Agreement) with respect to the Applicant for which there exist any unsatisfied payment obligations.

   [ ]C. The Letter of Credit will expire in fewer than twenty (20) Business Days (as defined in the Agreement) from the date hereof, and Applicant has not provided Beneficiary alternative Development Security or Performance Assurance (as defined in the Agreement) acceptable to Beneficiary.

The contents of this document are subject to restrictions on disclosure as set forth herein.
[ ]D. The Bank or Applicant has heretofore provided written notice to the Beneficiary of the Bank’s or Applicant’s intent not to renew the Letter of Credit following the present Expiration Date thereof, and Applicant has failed to provide the Beneficiary with a replacement letter of credit satisfactory to Beneficiary in its sole discretion within thirty (30) days following the date of the Notice of Non-Renewal.

[ ]E. The Beneficiary has not been paid any or all of the Applicant’s payment obligations now due and payable under the Agreement.

[ ]F. The Beneficiary is entitled to retain the entire Development Security: (i) because Commercial Operation Date has not occurred on or before the Commercial Operation Deadline, or any extended Commercial Operation Deadline as provided in the Agreement, or (ii) for any of the reasons set forth in Section 3.06(d) of the Agreement.

[ ]G. The Beneficiary is entitled to retain a portion of the Development Security pursuant to Section 3.06(f) of the Agreement.

2. Based upon the foregoing, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS AND ___/100ths (U.S.$__________), which amount does not exceed (i) the amount set forth in paragraph 1 above, and (ii) the Available Amount under the Letter of Credit as of the date hereof.

3. Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the Beneficiary in accordance with the following instructions:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Drawing Certificate has been duly executed and delivered on behalf of the Beneficiary by its authorized representative as of this ____ day of ________, _____.

Beneficiary: SOUTHERN CALIFORNIA EDISON COMPANY
By:

Name:

Title:

*** End of EXHIBIT L ***
EXHIBIT M-1
SCE Penalties and CAISO Sanctions

*** SCE Comment: Intermittent only***

Seller is liable for SCE Penalties and CAISO Sanctions under the circumstances described in this Exhibit M.

1. Determining Seller’s Liability for SCE Penalties.

If in any hour of any month in the Delivery Term Seller fails to comply with its Forecasting requirements under Exhibit D of this Agreement with respect to Seller’s Forecast of available capacity only, and the sum of Energy Deviations for each of the Settlement Intervals in that hour exceed the Performance Tolerance Band described in Paragraph 2 of this Exhibit, then Seller is liable for an SCE Penalty equal to one hundred fifty percent (150%) of the Product Price in Section 1.05(a) for each MWh of Energy Deviation, or any portion thereof, in that hour.

2. Performance Tolerance Band.

The “Performance Tolerance Band,” in kWh, is equal to:

(a) Three percent (3%) times
(b) Contract Capacity times
(c) One (1) hour, i.e., the interval of time for monitoring Forecasting requirements.


Seller must reimburse SCE for all CAISO Sanctions incurred by SCE as a result of Seller’s failure to adhere to its obligations under the CAISO Tariff or any CAISO directive, as such directive may be communicated to Seller by SCE, or as set forth in Sections 1.06(b)(ii), 3.12(g) and 4.01(e).


(a) The CAISO Sanctions will be available for billing approximately one hundred twenty (120) days following the last day of the calendar month in which the event giving rise to the sanction occurs, or thirty (30) days after the CAISO final settlement data is available to SCE, whichever is sooner.

(b) SCE shall provide to Seller the applicable back-up data used for validating CAISO Sanctions.

*** End of EXHIBIT M ***
EXHIBIT M-2
CAISO Costs and CAISO Sanctions

*** SCE Comment: Baseload only***

Seller is liable for CAISO Costs and CAISO Sanctions under the circumstances described in this Exhibit M.

1. Determining Applicability of CAISO Costs.
   Seller shall be responsible for all CAISO Costs (a) for all Settlement Intervals where Energy Deviations exceed the Performance Tolerance Band and (b) as set forth in Section 1.05(c)(ii).

2. Performance Tolerance Band.
   The “Performance Tolerance Band” will equal the quantity in any Settlement Interval, in kWh, that is the product of:
   (a) Three percent (3%) times
   (b) Contract Capacity divided by
   (c) The number of Settlement Intervals in the hour.

   Seller will be liable to reimburse SCE for all CAISO Sanctions incurred by SCE as a result of Seller’s failure to adhere to its obligations under the CAISO Tariff or any CAISO directive, as such directive may be communicated to Seller by SCE, or as set forth in Sections 1.06(b)(ii), 3.12.(g) and 4.01(e).

   (a) The CAISO Costs and CAISO Sanctions will be available for billing approximately one hundred twenty (120) days following the last day of a calendar month in which the event giving rise to the sanction occurs, or thirty (30) days after the CAISO final settlement data is available to SCE, whichever is sooner.
   (b) SCE shall provide to Seller the applicable back-up data used for validating CAISO Costs and CAISO Sanctions.

*** End of EXHIBIT M ***
EXHIBIT N
Actual Availability Report

Pursuant to Section 3.22, Seller shall prepare an Actual Availability Report in accordance with the procedures described in this Exhibit N.

1. Availability Workbook.

   Seller shall:
   
   (a) Collect the measurement data, listed in Item 2 below, in one (1) or more Microsoft Excel Workbooks (the “Availability Workbook”) provided in a form and naming convention approved by SCE; and

   (b) Electronically send the Availability Workbook to an address provided by SCE.

   The Actual Availability Report must reflect the Actual Available Capacity as measured by Seller’s SCADA equipment.

2. Log of Availability.

   The Availability Workbook must be created on a single, dedicated worksheet and shall be in the form of Attachment 1 to this Exhibit N.

   The data presented in the Availability Workbook must not reflect any electric energy losses between the CAISO Approved Meter or Check Meter and the Delivery Point.
ATTACHMENT 1
Actual Availability Report

*** End of EXHIBIT N ***
Pursuant to Section 3.08(f), Seller shall install and maintain a minimum of the greater of (i) one (1) stand-alone meteorological equipment station for each fifty (50) MWs (or portion thereof) of nameplate capacity installed at the Generating Facility or (ii) one (1) stand-alone meteorological equipment station for each [number] miles (SCE Comment: To be determined based on site plan) (or portion thereof) of the Site. Each station shall be equipped with instruments and equipment that meet or exceed those specifications set forth in the CAISO’s PIRP/EIRP protocol and are compatible with the requirements of SCE. SCE and Seller acknowledge that SCE may update this Exhibit O from time to time in order to accommodate industry standards, the CAISO PIRP/EIRP protocol and the needs of SCE.

SCE and Seller shall develop the technical specifications for meteorological stations, which will meet these basic requirements.

Seller shall maintain the meteorological station in accordance with Prudent Electrical Practices. Seller shall perform yearly calibrations of all instruments.

1. Equipment Stations.
   (a) The equipment stations shall be comprised of the following:
      (i) Two (2) heated wind sensors;
      (ii) Two (2) air temperature sensors; and
      (iii) One (1) barometric pressure sensor (with DCP sensor).
   (b) The wind sensors and air temperature sensors shall be set at two (2) height locations from ground level:
      (i) One wind sensor and one temperature sensor shall be set at the height that represents the lowest blade tip when positioned at a ninety degree (90°) angle with the ground; and
      (ii) One wind sensor and one temperature sensor shall be set at the height that represents the hub center of the turbines.

2. Attributes of Equipment Station Locations.
   The equipment station location(s) should be unencumbered by tower shadow or other equipment. If an equipment station tower is being placed on the Site, the tower is to be placed in front of generating turbines on the upwind side of the wind park, as determined by the wind rose. The second station is best placed at the rear of the park as determined by the wind rose.
3. **Communication.**

Seller shall communicate meteorological data to SCE via a system consistent with SCE’s employed methods at the time of installation.

4. **Equipment Requirements.**

SCE currently requires equipment with quality levels and compatibility and functional specifications that meet or exceed those of the equipment set forth below in this Item 4. Any equipment different from that listed below must have the approval of SCE before installation at the Site.

(a) **MAWS301 AWS System.**

(i) MAWS301 Basic Assembly for MAWS301 Automatic Weather Station, including following modules and functions:

- QML201 AWS Logger with 1.7 MB Flash memory for data logging
- QBR101B Battery regulator
- ENC542PLM Equipment enclosure with backup battery mounting accessories and internal wiring
- Bottom plate with signal connectors for sensors and peripheral equipment
- MAWS LIZARD Set-up software
- MAWS Terminal software

(ii) ENC542SHIELD Radiation Shield for MAWS301 enclosure

(iii) QMZ101 Terminal/maintenance cable for MAWS

(iv) QMBATT12 Back-up battery - 12 Ah/12V, installed in MAWS enclosure, includes wiring

(b) **Sensors.**

(i) QMT110 or HMT 330 Series Air temperature sensor with 10 m cable and connector

- DTR502P22 or DRT503 Radiation shield for QMT110 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)

(ii) QMT103 or HMP Air temperature sensor with 5-m cable and connector

- 212417 Extension cables, 25m, shielded, 5-pin F-M connector for QMT103 sensor
- DTR502P22 or DRT503 Radiation shield for QMT103 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)
Southern California Edison

(iii) PMT16A Barometric pressure sensor installed within the MAWS301 enclosure

(iv) W5425, WMT52, or WMT700 Series Heated Ultrasonic Wind Sensor with RS485 & power output cable, sensor mounting on 60 mm diameter pole/mast and 36 VDC power supply

(c) Powering.

Mains (AC) power supply, installed in enclosure (ENC542PLM), including wiring and surge arrestors for 115 VAC

(d) Communication.

(i) DSI485ASET48-M3 Isolated RS-485 module - 2 wire connection, including extra surge arrestors for both lines, installed in MAWS enclosure communications from logger to W5425, WMT52, or WMT700 Series sensors

(ii) DME421-M3 Ethernet interface serial port to VSAT transmitter. Module mounted within MAWS enclosure (if needed)

(iii) VSAT Hardware, VSAT transmitter, cables with connectors, testing of each site, antenna positioners, mounting hardware. Installation at each site should include program fee for VSAT module

The satellite communication requires an unencumbered south-by-southwest view of the sky for antenna placement. Weather station data will be transmitted to SCE consistent with the industry standard practices at the time of installation.

(e) Install Accessories.

(i) APPK-60SET Mast mounting for MAWS enclosure on a 50-60 mm diameter pole/mast/tower

(ii) WSP Surge Arrestor for QMT103/110 Temp sensor lines (4-wire)

(iii) #010411 Shielded RS485 cabling from MAWS301 to W5425, WMT52, or WMT700 Series sensor

(iv) WSP Surge Arrestor for RS485 lines, wind sensors at 10m

(v) WS425STDH-SPEC-30m Shielded RS485 cabling from MAWS301 to W5425, WMT52, or WMT700 Series sensors - 30m cables

(vi) WSP Surge Arrestor for RS485 lines, wind sensors at 30m

*** End of EXHIBIT O***
Pursuant to Section 3.08(f), Seller shall install and maintain a minimum of one (1) stand-alone meteorological equipment station for each one (1) square mile (or portion thereof) of the Site. Each station shall be equipped with instruments and equipment that meet or exceed those specifications set forth in the CAISO’s PIRP/EIRP protocol and are compatible with the requirements of SCE. SCE and Seller acknowledge that SCE may update this Exhibit O from time to time in order to accommodate industry standards, the CAISO PIRP/EIRP protocol and the needs of SCE.

SCE and Seller shall develop the technical specifications for meteorological stations, which will meet these basic requirements.

Seller shall maintain the meteorological station in accordance with Prudent Electrical Practices and equipment specifications. Seller shall perform yearly calibrations of all instruments. In addition, any solar irradiance sensor must be cleaned weekly or after storm events, following manufacturers recommended cleaning procedures.

1. **Equipment Stations.**
   
   (a) The equipment stations shall be comprised of the following:
   
   (i) One (1) heated wind sensor;
   
   (ii) One (1) air temperature sensor;
   
   (iii) One (1) relative humidity sensor;
   
   (iv) One (1) barometric pressure sensor (with DCP sensor);
   
   (v) One (1) direct normal irradiance sensor operated to track the sun;
   
   (vi) One (1) total global radiation sensor horizontal to the ground plane (only 1 such sensor shall be required under this Agreement); and
   
   (vii) One (1) diffuse radiation sensor (only 1 such sensor shall be required under this Agreement).

   (b) In addition, Seller shall report:
   
   (i) Solar altitude angle;
   
   (ii) Solar azimuth angle; and
   
   (iii) Precipitation.

   (c) All sensors shall be set at a height location representing the height from ground level of the solar collection point, for example, two (2) meters above ground level.

3. **Attributes of Equipment Station Locations.**
The equipment station location(s) should be unencumbered by any shadow or equipment. The equipment station tower is to be placed in front of the solar collectors on the southern side of the Site. In addition, the station’s satellite communication transmitter requires an unencumbered south-by-south west view of the sky for antenna placement.


Seller shall communicate meteorological data to SCE via a system consistent with SCE’s employed methods at the time of installation. The equipment installed will need to be approved by SCE.

The satellite communication requires an unencumbered south-by-southwest view of the sky for antenna placement. Weather station data will be transmitted to SCE consistent with the industry standard practices at the time of installation.

5. Equipment Requirements.

SCE currently requires equipment with quality levels, compatibility and functional specifications that meet or exceed those of the equipment set forth below in this Item 5. Any equipment different from that listed below must have the approval of SCE before installation at the Site.

(a) MAWS301 AWS System.

(i) MAWS301Basic Assembly for MAWS301 Automatic Weather Station, including following modules and functions:
   • QML201 AWS Logger with 1.7 MB Flash memory for data logging
   • QBR101B Battery regulator
   • ENC542PLM Equipment enclosure with backup battery mounting accessories and internal wiring
   • Bottom plate with signal connectors for sensors and peripheral equipment
   • MAWS LIZARD Set-up software
   • MAWS Terminal software

(ii) ENC542SHIELD Radiation Shield for MAWS301 enclosure

(iii) QMZ101 Terminal/maintenance cable for MAWS

(iv) QMBATT12 Back-up battery - 12 Ah/12V, installed in MAWS enclosure, includes wiring

(b) Sensors.

(i) QMT110 Air temperature sensor with 10 m cable and connector
   • DTR502P22 Radiation shield for QMT110 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)
(ii) QMT103 Air temperature sensor with 5-m cable and connector
   • 212417 Extension cables, 25m, shielded, 5-pin F-M connector for QMT103 sensor
   • DTR502P22 Radiation shield for QMT103 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)

(iii) PMT16A Barometric pressure sensor installed within the MAWS301 enclosure

(iv) M301-WS425STDH Heated Ultrasonic Wind Sensor with RS485 & power output cable, sensor mounting on 60 mm diameter pole/mast and 36 VDC power supply

(v) HMT 100 humidity and temperature sensor

(vi) Eppley Labs Model NIP pyroheliometer with solar tracker

(c) Powering.
MCP150-M3-115 Mains (AC) power supply, installed in enclosure (ENC542PLM), including wiring and surge arrestors for 115 VAC

(d) Communication.
(i) DSI485ASET48-M3 Isolated RS-485 module - 2 wire connection, including extra surge arrestors for both lines, installed in MAWS enclosure communications from logger to WS425 sensors
(ii) DME421-M3 Ethernet interface serial port to VSAT transmitter. Module mounted within MAWS enclosure
(iii) VSAT Hardware, VSAT transmitter, cables with connectors, testing of each site, antenna positioners, mounting hardware. Installation at each site should include program fee for VSAT module

(e) Install Accessories.
(i) APPK-60SET Mast mounting for MAWS enclosure on a 50-60 mm diameter pole/mast/tower
(ii) QSA124PT Surge Arrestor for QMT103/110 Temp sensor lines (4-wire)
(iii) #010411 Shielded RS485 cabling from MAWS301 to WS425STDH - 10m cables
(iv) QSA224DC Surge Arrestor for RS485 lines, wind sensors at 10m

*** End of EXHIBIT O***
EXHIBIT O-2b
Meteorological Station Specifications

*** SCE Comment: Solar Photovoltaic only. ***

Pursuant to Section 3.08(f), Seller shall install and maintain a minimum of one (1) stand-alone meteorological equipment station for each one (1) square mile (or portion thereof) of the Site. Each station shall be equipped with instruments and equipment that meet or exceed those specifications set forth in the CAISO’s PIRP/EIRP protocol and are compatible with the requirements of SCE. SCE and Seller acknowledge that SCE may update this Exhibit O from time to time in order to accommodate industry standards, the CAISO PIRP/EIRP protocol and the needs of SCE.

SCE and Seller shall develop the technical specifications for meteorological stations, which will meet these basic requirements.

Seller shall maintain the meteorological station in accordance with Prudent Electrical Practices and equipment specifications. Seller shall perform yearly calibrations of all instruments. In addition, any solar irradiance sensor must be cleaned weekly or after storm events, following manufacturers recommended cleaning procedures.

1. Equipment Stations.
   (a) The equipment stations shall be comprised of the following:
      (i) One (1) heated wind sensor;
      (ii) One (1) air temperature sensor;
      (iii) One (1) relative humidity sensor;
      (iv) One (1) barometric pressure sensor (with DCP sensor);

   (v) One (1) total global irradiation sensor for each collector plane orientation in the Site with the sensor(s) oriented at the same inclination and aspect as the collector plane(s);

   \{SCE Note: For fixed tilt Solar projects\}

   A minimum of one thermopile pyranometer for each inverter block mounted in a representative location on an associated tracker. Such thermopile pyranometers shall include either:

   (1) One (1) secondary standard thermopile pyranometer mounted on a tracker associated with each inverter block, or

   (2) For each equipment station, at least one (1) secondary standard thermopile pyranometer mounted on a tracker associated with an inverter block near the equipment station, and for the thermopile pyranometers associated with the remaining balance of inverter blocks, first class and second class thermopile pyranometers may
be installed only if they are calibrated and adjusted in accordance with Section 3.08(f) of the Agreement;

[SCE Note: For tracking Solar projects]

(vi) One (1) total global radiation sensor horizontal to the ground plane (only 1 such sensor shall be required under this Agreement); and

(vii) One (1) diffuse radiation sensor (only 1 such sensor shall be required under this Agreement).

(b) In addition, Seller shall report:

(i) Solar altitude angle;

(ii) Solar azimuth angle;

(iii) Precipitation;

(iv) Individual tracking assembly angle set points; and

(v) The actual tracking assembly angles.

(c) All sensors shall be set at a height location representing the height from ground level of the solar collection point, for example, two (2) meters above ground level.

3. Attributes of Equipment Station Locations.

The equipment station location(s) should be unencumbered by any shadow or equipment. The equipment station tower is to be placed in front of the solar collectors on the southern side of the Site. In addition, the station’s satellite communication transmitter requires an unencumbered south-by-southwest view of the sky for antenna placement.


Seller shall communicate meteorological data to SCE via a system consistent with SCE’s employed methods at the time of installation. The equipment installed will need to be approved by SCE.

The satellite communication requires an unencumbered south-by-southwest view of the sky for antenna placement. Weather station data will be transmitted to SCE consistent with the industry standard practices at the time of installation.

5. Equipment Requirements.

SCE currently requires equipment with quality levels, compatibility and functional specifications that meet or exceed those of the equipment set forth below in this Item 5. Any equipment different from that listed below must have the approval of SCE before installation at the Site.

(a) MAWS301 AWS System.
(i) MAWS301 Basic Assembly for MAWS301 Automatic Weather Station, including following modules and functions:
- QML201 AWS Logger with 1.7 MB Flash memory for data logging
- QBR101B Battery regulator
- ENC542PLM Equipment enclosure with backup battery mounting accessories and internal wiring
- Bottom plate with signal connectors for sensors and peripheral equipment
- MAWS LIZARD Set-up software
- MAWS Terminal software
(ii) ENC542SHIELD Radiation Shield for MAWS301 enclosure
(iii) QMZ101 Terminal/maintenance cable for MAWS
(iv) QMBATT12 Back-up battery - 12 Ah/12V, installed in MAWS enclosure, includes wiring

(b) Sensors.
(i) QMT110 Air temperature sensor with 10 m cable and connector
- DTR502P22 Radiation shield for QMT110 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)
(ii) QMT103 Air temperature sensor with 5-m cable and connector
- 212417 Extension cables, 25m, shielded, 5-pin F-M connector for QMT103 sensor
- DTR502P22 Radiation shield for QMT103 (air temp sensor) including mounting accessories to a pole/mast (60-100 mm)
(iii) PMT16A Barometric pressure sensor installed within the MAWS301 enclosure
(iv) M301-WS425STDH Heated Ultrasonic Wind Sensor with RS485 & power output cable, sensor mounting on 60 mm diameter pole/mast and 36 VDC power supply
(v) HMT 100 humidity and temperature sensor
(vi) Model RSR-2, Rotating Shadowband Radiometer System from Irradiance Inc. for site global horizontal and diffuse irradiance
(vii) Kipp and Zonen Model CMP-11 or equivalent secondary standard thermopile pyranometer mounted in the plane of the solar array for each [solar array orientation] [SCE Note: For fixed tilt Solar projects]
(c) Powering.
MCP150-M3-115 Mains (AC) power supply, installed in enclosure (ENC542PLM), including wiring and surge arrestors for 115 VAC

(d) Communication.
(i) DSI485ASET48-M3 Isolated RS-485 module - 2 wire connection, including extra surge arrestors for both lines, installed in MAWS enclosure communications from logger to WS425 sensors
(ii) DME421-M3 Ethernet interface serial port to VSAT transmitter. Module mounted within MAWS enclosure
(iii) VSAT Hardware, VSAT transmitter, cables with connectors, testing of each site, antenna positioners, mounting hardware. Installation at each site should include program fee for VSAT module

(e) Install Accessories.
(i) APPK-60SET Mast mounting for MAWS enclosure on a 50-60 mm diameter pole/mast/tower
(ii) QSA124PT Surge Arrestor for QMT103/110 Temp sensor lines (4-wire)
(iii) #010411 Shielded RS485 cabling from MAWS301 to WS425STDH - 10m cables
(iv) QSA224DC Surge Arrestor for RS485 lines, wind sensors at 10m

*** End of EXHIBIT O ***
Appendix B
Redline of Modified BioRAM RFO Instructions versus Approved 2015 RPS RFO Instructions
2015
Request for Proposals
from
Eligible Renewable Energy Resource Suppliers
for
Renewable Products

Procurement Protocol

SCE BIOFUEL RENEWABLE
AUCTION MECHANISM
(“BIORAM”) PROGRAM

REQUEST FOR OFFERS

for

Renewable Energy from Generating Facilities
Using Forest Fuel from High Hazard Zones

RFO Participant Instructions

April 7, 2016

Posted TBD
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A. .......................................................................................................................RIDER AND AMENDMENT TO PRO FORMA RENEWABLE POWER PURCHASE AGREEMENT

B. .......................................................................................................................A–PRO FORMA RENEWABLE POWER PURCHASE AGREEMENT

B. PRO FORMA MASTER RENEWABLE ENERGY CREDIT PURCHASE AGREEMENT

All of the above documents may be located and downloaded from the RPS Solicitation BioRAM RFO Website which may be found here:

https://scerps.accionpower.com https://sceram.accionpower.com

All references to the RPS Solicitation BioRAM RFO Website herein refer to this website location.
ARTICLE One.
ARTICLE ONE. GENERAL INFORMATION

1.01 Introduction.

In this 2015 Renewables Portfolio Standard Request for Proposals (“RPS Solicitation”), Southern California Edison Company (“SCE”) is soliciting proposals (“Proposal” or “Proposals”) from bidders (“Seller” or “Sellers”) to supply either Bundled Energy Product, Firmed and Shaped Product or Renewable Energy Credit (“REC”) Product (each as defined in Section 1.02 and collectively referred to herein as “Product”) from Eligible Renewable Energy Resources (“ERR,” “ERR Generating Facility,” “ERR Generating Facilities,” “Project” or “Projects”) sufficient to permit SCE to execute renewable power purchase agreements in substantially the form of SCE’s Pro Forma Renewable Power Purchase Agreement (“Renewable PPA”) or the Pro Forma Master Renewable Energy Credit Purchase Agreement (“REC Purchase Agreement”), as applicable, posted on the SCE RPS Solicitation Website.\(^2\) As used herein, the term “Pro Forma PPA” refers to the Renewable PPA or the REC Purchase Agreement as applicable. In addition to negotiating a final Pro Forma PPA, SCE is offering a non-negotiable Standard Contract Option, the details of which can be found in Section 4. SCE recognizes that the Renewable PPA would require modification to account for Firmed and Shaped Product. Southern California Edison (“SCE”) is issuing its Biofuel Renewable Auction Mechanism (“BioRAM”) Request for Offers (referred to herein as the “RFO,” the “BioRAM RFO” or “BioRAM”)\(^2\) to solicit offers (“Offers”) from owners (“Offerors” or “Sellers”) of eligible renewable energy resource (“ERR”)\(^3\) Generating Facilities capable of burning forest fuel from high hazard zones for wildfire and falling trees (“ERR-HHZ”) to supply Product\(^4\) under a standard Renewable Power Purchase and Sale Agreement (“BioRAM PPA”) for execution in accordance with these BioRAM RFO Participant Instructions (“BioRAM RFO Instructions” or “RFO Instructions”).

The purpose of this procurement protocol (“Procurement Protocol”) All purchases will be made according to the terms and conditions set forth in the BioRAM PPA. The purpose of the BioRAM RFO Instructions is to:

\(^2\) For clarity, this RPS Solicitation is not soliciting Proposals for utility-owned, buyout or other forms of SCE-equity (tax or other) ownership of the underlying ERR Generating Facility. The Renewable PPA will be modified accordingly for Firmed and Shaped Product.

\(^3\) For purposes of this BioRAM RFO and any final BioRAM PPA executed pursuant thereto, an ERR is a generating facility that meets all of the criteria set forth in Public Utilities Code Section 399.12, Public Resources Code Section 25741, and the California Energy Commission’s “Renewables Portfolio Standard (RPS) Eligibility Guidebook,” available at: http://www.energy.ca.gov/portfolio/index.html.

\(^4\) “Product” means (i) all energy produced by the Generating Facility, net of Station Use, and (ii) all Green Attributes, Capacity Attributes, and Resource Adequacy Benefits (each as defined in the BioRAM PPA).
(a) Describe the Product for which SCE is soliciting;

(b) Set forth the requirements of each Proposal Offer submission, including waivers, representations, warranties and covenants deemed made for all purposes as part of the Proposal Offer submission;

(c) Describe the methods that SCE uses to evaluate each Proposal Offer;

(d) Document the rights that SCE reserves for itself with regard to the RPS Solicitation BioRAM RFO; and

(e) Describe the time frame for the RPS Solicitation BioRAM RFO.

This Procurement Protocol The BioRAM Instructions and its two Associated Documents are available on the RPS Solicitation BioRAM RFO Website.

Capitalized terms used in this Procurement Protocol these BioRAM RFO Instructions, but not otherwise defined herein have the meanings set forth in the Pro Forma BioRAM PPA or the California Independent System Operator (“CAISO”) tariff.

1.02 Definition of Products Being Solicited

For a more complete definition and description of each Product, SCE encourages all Sellers to review California Public Utilities Commission (“CPUC”) Decision (“D.”) 11-12-052, available at the following link: D1112052 Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program

(a) Bundled Energy Product. Product qualifying as Portfolio Content Category 1 (“Category 1” or “Category 1 Product”), which includes all electric energy produced by an ERR Generating Facility throughout the Term of the Final Agreement, net of Station Use; all Green Attributes; all Capacity Attributes, if any; and all Resource Adequacy Benefits, if any; generated by, associated with, or attributable to the output of the ERR-HHZ Generating Facility throughout the Term of the Final Agreement whether such credits or other attributes exist at the time a Final Agreement is executed or are created later during the Term of the Final Agreement. All Bundled Energy Product transactions must be for periods of 10 years or more.

(b) Firmed and Shaped Product. Product qualifying as Portfolio Content Category 2 (“Category 2” or “Category 2 Product”), which includes firmed and shaped ERR electricity products providing incremental electricity and

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46 In accordance with Public Utilities Code Section 399.16(b)(1) and D.11-12-052.
52 In accordance with Public Utilities Code Section 399.16(b)(2) and D.11-12-052.
scheduled into a California Balancing Authority, as well as all associated Green Attributes, all Capacity Attributes, if any; and all Resource Adequacy Benefits, if any. **All Firmed and Shaped Product transactions must be for periods of 10 years or more.**

(c) REC Product—Product qualifying as Portfolio Content Category 3 (“Category 3” or “Category 3 Product”), which encompasses only RECs, all associated Green Attributes, and Western Renewable Energy Generation Information System (“WREGIS”) certificates evidencing the authenticity of the REC Product. REC Product does not include the energy generated as part of the creation of the RECs. All REC Product transactions must be for periods of 10 years or more.

(d) As used herein, the term “Final Agreement” refers to any final agreement for the purchase of Product executed by SCE and Seller as a result of the RPS Solicitation BioRAM RFO.

1.03 Basic Terms and Conditions.

(a) SCE will only consider Proposals to purchase Product from ERR Generating Facilities with initial delivery dates to SCE on December 1, 2020 or earlier. Sellers must propose Commercial Operation Dates that start on the first day of the month.

(b) Prior to the start of the Term of the Pro Forma PPA Final Agreement, Sellers may, at their discretion, deliver energy, capacity or other attributes of the ERR-HHZ Generating Facility (i) through the CAISO Market, (ii) to a balancing authority, or (iii) to a third-party off-taker.

(c) SCE will consider Proposals from Sellers with ERR-HHZ Generating Facilities that are located outside the State of California only if they can deliver Product that qualifies as Category 1, Category 2, or Category 3. Out-of-state Category 1 and Category 2 proposals must deliver Product into the CAISO.

(d) With respect to any Project, SCE WILL NOT ACCEPT PROPOSALS TO DELIVER PRODUCT AT THE PROJECT’S BUSBAR.

(e) SCE is only soliciting Product from ERR-HHZ Generating Facilities that possess: (1) an active, completed Phase II Interconnection Study

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6 In accordance with Public Utilities Code Section 399.16(b)(3) and D.11-12-052.
or equivalent, for Projects that are utilizing the interconnection study fast track process, SCE will accept either: (1) written evidence from SCE’s Grid Interconnection Department that the ERR-HHZ Generating Facility has passed all fast track screens and no further studies are required; or (2) a completed System Impact Study and Facilities Study (or evidence from the transmission/distribution provider that the Facilities Study was waived); or (3) a signed interconnection agreement.

Pursuant to Section 6.1 of D.14-11-042, local government uses the term “application deemed complete” (California Government Code §65943); California Energy Commission uses the term “data adequate” (Title 20 CCR § 1709); Bureau of Land Management uses the term “completed application” (43 CFR 2804.25).
(h) ProposalsOffers for Product delivered from ERR-HHZ Generating Facilities with a Contract Capacity of 500 kW or greater are eligible to participate in this RPS SolicitationBioRAM RFO.

(i) SCE intends that the definition of “Site” and “Site Control” not only mean the land upon which the ERR-HHZ Generating Facility is expected to be located, but also encompasses any rights-of-way or other real property rights necessary for Seller to be able to deliver the Product to SCE (e.g., land on which Seller’s generation tie line between the ERR-HHZ Generating Facility and the Interconnection Point shall be constructed). Seller’s ProposalOffer must demonstrate Site Control or the ProposalOffer will not be given further consideration.

(j) Seller’s Generating Facility must be a new, existing, or repowered Generating Facility that is an ERR, unless Seller intends to submit a Proposal for consideration under the Green Rate program (as defined in Section 4.06), in which case the Generating Facility must be a new Generating Facility that qualifies as an ERR.

(i) An existing ERR Generating Facility must be certified by the California Energy Commission (“CEC”) as an ERR or multiple ERRs prior to the ProposalOffer Due Date as set forth in the RPS SolicitationBioRAM RFO Schedule.

(ii) For ERR Generating Facilities not yet on-line and for repowered ERR Generating Facilities, SCE requires Seller to seek CEC “pre-certification” as an ERR prior to the Commercial Operation Date.

(m) SCE will consider Proposals with energy storage. Sellers must indicate their intent to offer a storage component when submitting the applicable Proposal. Proposals that include dispatchable storage must also include, to the extent applicable, the operating parameters of the proposed storage facility in the comment field in the Proposal form on the RPS Solicitation Website.

(n) Sellers’ ProposalsOffers intending to deliver Bundled Energy Product and Firmed and Shaped Product shall convey to SCE all electric energy, as well as all attributes associated with such electric energy, including, but not limited to, Metered Amounts, Green Attributes, Capacity Attributes, and Resource Adequacy Benefits that are attributable to the ERR Generating Facility as detailed in the RenewableBioRAM PPA.

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Through the RPS Solicitation, SCE continues to solicit ERR Generating Facilities in the Western Los Angeles sub-area of the Los Angeles basin local reliability area (“Western LA Basin sub-area”) to meet local capacity requirements (“LCR”) and specifically, resources that are interconnected to SCE’s distribution system in the Johanna and Santiago substation area to meet SCE’s Preferred Resources Pilot (“PRP”) goals, as detailed below, which may also be met by ERR Generating Facilities. SCE also solicits ERR Generating Facilities that electrically connect to the Goleta substation.

On February 13, 2013, the CPUC issued D.13-02-015, authorizing SCE to procure between 1,400 and 1,800 MW of capacity in the Western LA Basin sub-area to meet the long-term LCR criteria by 2021. On March 14, 2014, the CPUC issued D.14-03-004 authorizing SCE to procure an additional 500 to 700 MW of capacity in the Western LA Basin sub-area to satisfy the same local capacity requirements. Pursuant to SCE’s Application 14-11-012, SCE continues to have a need for such resources beyond what has already been procured to meet the CPUC minimum amounts identified in the referenced decisions.

Proposals from Sellers meeting the LCR criteria and/or the PRP criteria may be also eligible for classification as a Resource Adequacy Resource through the CAISO’s distributed generation deliverability assessment program. The CAISO is working with utility distribution companies to assign Full Capacity Deliverability Status (“FCDS”) to eligible distributed generation facilities pursuant to the CAISO Tariff Section 40.4.6.3. The CAISO performs this process on an annual basis.

Consistent with the Governor of California’s Proclamation dated October 30, 2015, SCE has a preference for biomass projects utilizing forest wood waste from high hazard zones.

SCE will only consider Proposals that are substantially complete and include all of the applicable information, representations, warranties, and covenants as set forth in these BioRAM RFO Instructions and/or the on-line application Sellers are required to complete (the “Proposal Form”).

An ERR Generating Facility that either: (i) directly connects to a West LA Basin High Voltage Substation; or (ii) directly connects to a lower voltage substation that electrically connects to a West LA Basin High Voltage Substation (i.e., defined as one of the following substations located in the CAISO Controlled Grid: Alamitos, Barre, Center, Chevmain, Del Amo, Eagle Rock, El Nido, El Segundo, Ellis, Goodrich, Gould, Hinson, Huntington Beach, Johanna, La Cienega, La Fresa, Laguna Beach, Lewis, Lighthipe, Long Beach, Mesa, Olinda, Redondo, Rio Hondo, Santiago, Viejo, Villa Park, and Walnut).

See “Proclamation of a State of Emergency” signed by Governor Edmund G Brown on October 30, 2015.
The primary method for exchange of information or documents concerning this RPS Solicitation, including any such exchange concerning the preparation or submission of Proposals to SCE, will be via the RPS Solicitation Website.

SCE may, in its sole discretion, decline to respond to any correspondence or other inquiry about this RPS Solicitation without liability or responsibility.

SCE will host a conference Webinar to discuss the RPS Solicitation BioRAM RFO process with participants. Information on how to attend the conference will be made available on the RPS Solicitation BioRAM RFO Website.

SCE encourages Women-Owned, Minority-Owned, Disabled Veteran-Owned, Lesbian-Owned, Gay-Owned, Bisexual-Owned, and/or Transgender-Owned Business Enterprises (“Diverse Business Enterprises”) to participate in the RPS Solicitation BioRAM RFO. Information on SCE’s Supplier Diversity Program can be found on the following SCE website: www.sce.com/sd.

CPUC General Order (“GO”) 156 (http://www.cpuc.ca.gov/PUC/documents/go.htm) sets the rules governing, among other things, goals, annual reporting and annual planning in the development of programs to increase participation of Diverse Business Enterprises in procurement of contracts from utilities as required by the California Public Utilities Code.

You can help SCE achieve its GO 156 goals in the following ways:

(i) For qualified Diverse Business Enterprise Sellers (Tier 1 – direct contracting with SCE), ensure you are certified by the CPUC (The Supplier Clearinghouse) (www.thesupplierclearinghouse.com). Disabled Veteran Owned Business Enterprises in California are certified through the California Department of General Services (www.dgs.ca.gov/) and are automatically recognized by The Supplier Clearinghouse.

(ii) Require that any qualified Tier 2 Diverse Business Enterprises (subcontractors to a Tier 1 Seller) that perform work or deliver materials related to a project that is ultimately under contract with SCE are certified by one of the above mentioned agencies.

Furthermore, as provided in Section 6.3 of GO 156, SCE’s Supplier Diversity efforts include encouraging its Sellers to develop plans to utilize Diverse Business Enterprise subcontractors. SCE can help with identifying Diverse Business Enterprises for subcontracting opportunities. In addition, the
Renewable PPA includes a requirement to report payments made to Diverse Business Enterprises that supplied goods or services as subcontractors.

A sample list of potential products and services that may be available through Diverse Business Enterprises as subcontractors is provided in the table below. This table is not intended to serve as a comprehensive list of all of the subcontracting opportunities that may be available.

<table>
<thead>
<tr>
<th>PRE-Commercial Operation Date Products</th>
<th>Services</th>
<th>POST-Commercial Operation Date Products</th>
<th>Services</th>
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<tbody>
<tr>
<td>• Environmental Impact Studies</td>
<td>• Construction</td>
<td>• IT Equipment (Hardware &amp; Software)</td>
<td></td>
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<tr>
<td>• MRO (Balance of Plant: wiring, conduit, steel, concrete, etc.)</td>
<td>• Construction</td>
<td>• Engineering (Fire protection and Telecommunication)</td>
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<tr>
<td>• Panels</td>
<td>• Consulting</td>
<td>• Facilities Management</td>
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<tr>
<td>• Technology</td>
<td>• Engineering (Interconnection design, roads/grading, SWPPP, Arc Flash Study, Geotechnical reports, environmental monitoring, etc.)</td>
<td>• IT Support (Hardware &amp; Software)</td>
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<tr>
<td></td>
<td>• EPC Contractor</td>
<td>• Janitorial</td>
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<td>• Installation</td>
<td>• Large Equipment rentals and operator</td>
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<td>• Land Acquisition</td>
<td>• Legal Services</td>
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<td>• Legal Services</td>
<td>• Panel Cleaning</td>
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<td>• Permitting</td>
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<td>• Research and Development (R&amp;D)</td>
<td>• Plant Security</td>
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<td>• Site Prep</td>
<td>• Regulatory Reporting Services</td>
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<td>• Transportation</td>
<td>• Specialty/Admin Staffing</td>
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<tr>
<td></td>
<td></td>
<td>• Water Treatment &amp; Testing</td>
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This list was compiled with input from SCE, San Diego Gas & Electric and Pacific Gas and Electric. Please note that there may be other potential products and services that may qualify.

1.04 Communications.

The primary method for exchange of information or documents concerning the BioRAM RFO, including any such exchange concerning the preparation or submission of Offers to SCE, will be via the BioRAM RFO Website. All communications, verbal or written, should be documented on the Website.
SCE may, in its sole discretion, decline to respond to any email or other inquiry about the BioRAM RFO without liability or responsibility.

*** End of ARTICLE ONE ***
ARTICLE TWO. PRODUCT DELIVERY AND PRICE ELIGIBILITY REQUIREMENTS.

2.01 ERR Generating Facility Location and Interconnection Summary of Eligibility Requirements.

A. Product from an ERR that utilizes specified minimum percentages of forest fuel feedstock from high hazard zones (“HHZ”) for wildfire and falling trees that are identified by the California Department of Forestry and Fire Protection, the California Natural Resources Agency, the California Energy Commission, or the California Department of Transportation.10

B. A Generating Facility with a nameplate capacity not less than 0.5 MW.

C. Located within the CAISO control area or can be dynamically scheduled into the CAISO.

D. An active, completed Phase II Interconnection Study or equivalent, a signed generator interconnection agreement (“GIA”), an equivalent of better interconnection study, agreement, process, or exemption or documentation demonstrating that the project is an existing or repowered facility that does not require a restudy in order to interconnect.

E. Site Control.

F. Forecasted Commercial Operation Date and interconnection date that is within 36 months of the anticipated date for final and non-appealable CPUC approval of the BioRAM PPA.

G. Developer Experience.

H. Commercialized technology (i.e., neither experimental, research, demonstration, nor development).

2.02 Renewable Resource Eligibility.

SCE will consider all timely Offers from any new, existing or repowered ERR-HHZ, subject to the additional requirements stated in this Article Two.

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10 The necessary percentages of HHZ fuels are specified in the BioRAM Rider and Amendment, and the Seller is required to warrant that the fuel has been taken from a high hazard zone area.
2.03 Certification or Pre-Certification as an ERR.

SCE encourages new Generating Facilities to seek “pre-certification” as an ERR by the California Energy Commission (“CEC”) prior to submittal of Offers. Existing or repowered Generating Facilities must be certified as an ERR prior to submittal of Offers.

2.04 Existing or Repowered Projects.

This BioRAM RFO is open to both existing and new facilities; however, in recognition of the state of emergency, SCE will favor earlier online dates in the offer evaluation process.

An existing or repowered facility may participate in BioRAM if the facility is not currently delivering energy pursuant to an existing contractual agreement with PG&E, SDG&E, or SCE, or if such an agreement exists but it is scheduled to expire by its own terms, without further action of the parties thereto, within 36 months of the anticipated date of CPUC approval of a BioRAM PPA.

For existing or repowered projects that are currently operating under a Qualifying Facilities power purchase agreement (“QF PPA”), the Interconnection Facilities Agreement is usually an integral part of the QF PPA, and will not survive the expiration of such contract. The result is that any Offer that is intended to be end-to-end with an expiring QF PPA will only be eligible for this BioRAM RFO if the Offeror provides, by the Offer submittal deadline, one of the results letters defined below in items 1 and 2, as applicable:

1. For an interconnection at the transmission level, a CAISO results letter, stemming from the Material Modifications Review as outlined in CAISO Tariff Section 25.1.2, finding that there will be no substantial changes to the total capabilities and electrical characteristics of the generating facility and that the Offeror may proceed directly to the completion of a GIA.

2. For an interconnection at the distribution level, a results letter from PG&E, SCE, or SDG&E (as applicable) finding that there will be no substantial changes to the total capabilities and electrical characteristics of the generating facility and that the Offeror may proceed to the completion of a GIA based on the Wholesale Distribution Access Tariff.

For existing and/or repowered facilities to obtain a results letter that states unambiguously that the project does not need further study or review, the Offeror must present sufficient information to enable the transmission/distribution provider to make that determination. Such information includes, at a minimum, equipment...
2.05 Minimum Contract Capacity.

For any resource, the minimum contract capacity for this RFO is 0.5 MW.

2.06 Location.

Sellers ERR In order to be eligible for the BioRAM RFO, an ERR-HHZ Generating Facility may must be located either: within the CAISO control area or be dynamically scheduled into the CAISO.

(a) In-State

An ERR-HHZ Generating Facility is considered “In-State” if such ERR-HHZ Generating Facility’s first point of interconnection is, or will be, to the transmission or distribution system of a California Balancing Authority (“CBA”).

(b) Out-of-State

An ERR-HHZ Generating Facility is considered “Out-of-State” if such ERR-HHZ Generating Facility’s first point of interconnection is not, or will not be, to the transmission or distribution system of a CBA but the ERR-HHZ Generating Facility is delivering Product. Seller shall comply with all requirements pertaining to “Out-of-State Facilities” as set forth in the CEC RPS Eligibility Guidebook, including, but not limited to, ensuring that:

(i) The ERR-HHZ Generating Facility is located so that its first point of interconnection is, or will be, to the Western Electricity Coordinating Council transmission system;

(ii) The ERR-HHZ Generating Facility does not cause or contribute to any violation of a California environmental quality standard or requirement within California; and

(iii) The ERR-HHZ Generating Facility participates in an RPS tracking and verification system approved by the CEC (including WREGIS and NERC E-Tags).
2.07 Term.

The Term of any BioRAM PPA for a new facility will be ten (10) years. The Term of any BioRAM PPA for an existing facility will be five (5) years, with the right for SCE to extend the Term for one year at a time up to a cumulative total of ten (10) years so long as HHZ fuel is available at the minimum fuel requirement. The Generating Facility must be scheduled to commence Commercial Operation within 36 months of CPUC Approval of the executed Final Agreement. For purposes of eligibility to bid into BioRAM, the Generating Facility’s latest interconnection study or interconnection agreement, together with the Offeror’s Milestone Schedule, must support a forecasted Commercial Operation Date within 36 months of the anticipated date of CPUC Approval of a Final Agreement.

2.08 Procurement Target for the BioRAM RFO.

SCE’s target for this BioRAM RFO is to procure at least 20 MW of eligible resources.

2.09 SCE Affiliates.

SCE affiliates are permitted to participate in the BioRAM RFO. Offeror must disclose whether or not it is an SCE affiliate.

2.10 Potential Funding for Development Security.

Offers associated with the Hopi Tribe and/or Navajo Nation that qualify under the requirements of D.13-02-004 may be entitled to use available funds from the Mohave SO2 Revolving Fund to meet the development security obligations under the BioRAM PPA, subject to the provision of the necessary documentation and assurances in the Final Agreement.

*** End of ARTICLE TWO ***
ARTICLE THREE.  PRODUCT DELIVERY AND PRICE.

3.01    2.02 Delivery of Bundled Energy Product.

(a)  In-State.

For In-State ERR-HHZ Generating Facilities that are, or will be, interconnected to the CAISO, the Delivery Point must be the point where the ERR-HHZ Generating Facility connects to the CAISO Controlled Grid.

For In-State ERR-HHZ Generating Facilities that are, or will be, interconnected to a CBA other than the CAISO, the Delivery Point must be the intertie point where Seller’s Transmission Provider ties to the CAISO (“CAISO Intertie”).

(b)  Out-of-State.

For Category 1 Product, Seller must reasonably demonstrate to SCE as part of its submitted Proposal package Offer e-Binder that the output of the proposed Out-of-State ERR Generating Facility can in fact be scheduled on an hourly or sub-hourly basis into a CBA, without substituting electricity from another source, or dynamically transferred into a CBA. Such reasonable demonstration may include, for example, a Dynamic Scheduling Host Balancing Authority Operating agreement as defined in the CAISO Tariff.

Seller will be required to have firm transmission rights to the Delivery Point within the CAISO or to the respective CAISO Intertie for the duration of the term of the Final Agreement.

Product that is certified as eligible for the California RPS may be eligible as a Category 2 Product if the ERR from which the electricity is procured is firmed and shaped with substitute electricity providing incremental electricity scheduled into a California Balancing Authority (“CBA”) within the same calendar year as the generation from the ERR. For further details, please refer to D.11-12-052.

Category 2 Offers must include firming and shaping service to a California Independent System Operator (“CAISO”) interface point. Offers to deliver at the Project’s busbar will not be accepted. Agreements for substitute energy firming and shaping services must be at least five years in duration for an existing facility, and ten (10) years in duration for a new facility. Participants offering a Category 2 Product should provide the delivery profile of the

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12,11 The Delivery Point is subject to SCE’s approval in its sole discretion.

SCE BIORAM RFO Instructions

Article THREE.  Product Delivery and Price

-11-
firmed and shaped product in their Offer and specify the CAISO delivery point.

3.02 Existing ERR Generating Facility, Existing Power Purchase Agreement

An existing ERR Generating Facility with an existing power purchase agreement must submit a Proposal Offer that:

(a) States the full name of the ERR-HHZ Generating Facility as well as the contract identification number, Qualifying Facilities (“QF”) number, or any other information necessary for SCE to identify the ERR-HHZ Generating Facility;

(b) States the date on which the Seller believes that the existing power purchase agreement will terminate;

(c) Demonstrates to SCE’s reasonable satisfaction that Seller’s existing power purchase agreement will terminate, by its own terms, without further action of the parties thereto, prior to the date on which deliveries from the existing ERR-HHZ Generating Facility will commence under Seller’s Proposal Offer.

For Projects that are currently operating under a QF Power Purchase Agreement (“QF PPA”), the Interconnection Facilities Agreement (the “IFA”) is usually an integral part of the QF PPA, and will not survive the expiration of the QF PPA. Proposals that are intended to be end to end with an expiring QF PPA must submit to SCE the results letter issued by the CAISO and the Participating Transmission Owner (“PTO”), in the case of a QF to Participating Generator (“PG”) conversion, or issued by the electric distribution provider, in the case of a QF’s IFA converting to a Wholesale Distribution Access Tariff agreement, stating that the results of a Materials Modification Review, Technical Review, or the equivalent, fully corroborates Seller’s assertion that the total capability and electrical characteristics of its generation facility will be substantially unchanged. The results letter must be submitted to SCE on or before the date that is two weeks prior to the date that SCE notifies Sellers of their status relative to the Short-List.

3.03 Product Price or Contract Price

SCE intends to purchase Bundled Energy Product and Firmed and Shaped Product from those Sellers that have executed a RenewableBioRAM PPA with SCE at the Product Price, in $/MWh, as defined in the RenewableBioRAM PPA and further outlined below.

SCE intends to purchase REC Product from those Sellers that have executed a REC Purchase Agreement with SCE at the Contract Price, in $/REC, as defined in the REC Purchase Agreement and further outlined below.
The Product Price or Contract Price submitted by Seller as part of its Proposal Offer must:

(a) Conform with the pricing requirements in the Pro Forma BioRAM PPA;
(b) Assume, if applicable, posting Development Security, Performance Assurance and any other security as required by the Pro Forma BioRAM PPA;
(c) If applicable, include awards, subsidies, tax credits, grants, etc.;
(d) If applicable, assume the cost to dynamically schedule or firm and shape the Product into the CAISO at the Delivery Point; and
(e) If applicable, assume the cost of any firm transmission rights to deliver the Product into the CAISO at the Delivery Point.

SCE will not accept an indexed pricing Proposal Offer.

Seller must submit its price assuming the Product Price will be adjusted by SCE in each settlement interval in each Time of Delivery Period by the Product Payment Allocation Factors set forth in Exhibit J to the Renewable BioRAM PPA.

2.05 Use of the Mohave SO₂ Allowance Revolving Fund Memorandum Account

Proposals associated with the Hopi Tribe and/or Navajo Nation that qualify under the requirements of D.13-02-004, may be entitled to use available funds from the Mohave SO₂ Allowance Revolving Fund Memorandum Account to meet the Development Security obligations under the Renewable PPA, subject to the provision of the necessary documentation and assurances in the Final Agreement.

2.06 SCE Affiliates

SCE affiliates are permitted to participate in this RPS Solicitation. Seller must disclose whether it is an SCE affiliate.

*** End of ARTICLE THREE ***

ARTICLE FOUR. ARTICLE Three. RPS SOLICITATION SCHEDULE AND PROPOSAL SUBMITTAL.BIORAM RFO PROCESS AND EVALUATION OF OFFERS.

4.01 3.01 RPS Solicitation Schedule BioRAM RFO Anticipated Schedule.

<table>
<thead>
<tr>
<th>Dates</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 2016</td>
<td>SCE releases 2015 RPS Solicitation.</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>February 11, 2016 at 1:00 pm (pacific-time)</td>
<td>SCE hosts a Bidders’ Conference.</td>
</tr>
<tr>
<td>March 7, 2016</td>
<td>Sellers to upload their full Proposal e-Binder to the RPS Solicitation Website.</td>
</tr>
<tr>
<td>May 6, 2016</td>
<td>SCE submits Short-List to CPUC and Procurement Review Group (&quot;PRG&quot;).</td>
</tr>
<tr>
<td></td>
<td>Latest date SCE advises all Sellers on the status of their Proposals relative to SCE’s Short-List.</td>
</tr>
<tr>
<td></td>
<td>For Sellers whose Proposals have been named to the Short-List, the negotiations period begins.</td>
</tr>
<tr>
<td>May 20, 2016</td>
<td>Final date by which Short-Listed Sellers must submit a redlined PPA.</td>
</tr>
<tr>
<td>~45 days from Presentation of Short List</td>
<td>SCE submits Renewable PPA from Sellers who selected the Standard Contract Option to CPUC.</td>
</tr>
<tr>
<td>September 13, 2016 at 12:00 pm (pacific-time)</td>
<td>SCE and Short-Listed Sellers complete negotiations for the Final Agreements.</td>
</tr>
<tr>
<td>~October 2016</td>
<td>SCE signs the Final Agreement</td>
</tr>
<tr>
<td>90 days Following PPA Execution</td>
<td>SCE submits the Final Agreements by way of Advice Letters to the CPUC for approval.</td>
</tr>
</tbody>
</table>

*SCE reserves the right to make changes to the above schedule.*

3.02 Proposal Instructions

**Date** | **Event**
---|---
April 7, 2016 | SCE files Tier 2 advice letter in compliance with Resolution E-4770.
May 2, 2016 | CPUC Approval of Tier 2 advice letter.
May 16, 2016  |  BioRAM RFO Launch. SCE posts RFO Instructions, Pro Forma Renewable PPA, BioRAM Rider and Amendment and other BioRAM RFO documents on the BioRAM RFO Website.
--- | ---
May 16, 2016 – 9:00-11:00 am Pacific Prevailing Time (PPT)  |  SCE hosts BioRAM RFO webinar.
June 15, 2016 – 12:00 pm (noon) PPT  |  Auction – Deadline for Offerors to submit Offers and required documentation including information necessary to populate BioRAM PPAs (the “Offer Due Date”).
August 1, 2016  |  Anticipated date SCE will notify each Offeror regarding the selection status of each Offer and provide executable BioRAM PPAs.
TBD  |  Anticipated deadline for selected Offerors to submit executed signature pages of BioRAM PPAs.
TBD  |  Anticipated date of SCE execution of final BioRAM PPAs.
TBD  |  Anticipated date of SCE submittal of Tier 2 Advice Letter seeking CPUC approval of executed BioRAM PPAs.

4.02 Auction – Submission of Offer(s).

Each complete Offer, conforming to these BioRAM RFO Instructions, must be submitted by 12:00 pm (noon) PPT on June 15, 2016. SCE will only consider submissions that, as of the submittal deadline, constitute complete and conforming Offers.

An Offeror can submit a single or multiple Offers. Offers can be mutually inclusive of each other (i.e., in order to take a single Offer, SCE must accept all Offers within a mutually inclusive set), or mutually exclusive of each other (i.e., a group of Offers where SCE can only select one from the set; common when submitting multiple Offers from a single Generating Facility).

In order to have a complete and conforming Offer, an Offeror must complete and submit the Offer form on the BioRAM RFO Website.
4.03 Offer Instructions.

(a) Seller must input information and upload all of the documents described in this Section for each Proposal. The documents to be uploaded can be downloaded from Offer on the SCE RPS Solicitation BioRAM RFO Website.

(b) The RPS Solicitation BioRAM RFO Website utilizes a web-based information-input system where all required information and documents are submitted to SCE by filling out on-line forms and uploading documents. When filling out the on-line Proposal Offer Form, the website Website automatically checks portions of the data as it is information inputted by Seller. The Proposal Offer Form cannot be saved and uploaded unless the Proposal Offer Form is complete. Drop-down menus and automatic redirection to appropriate forms are incorporated to guide the Seller through the process.

Input sections for project-specific information are provided. Further, separate input sections for Proposals Offers associated with that specific project are provided. Sellers may use these forms to input multiple, distinct Proposals Offers associated with a specific project.

The Proposal Offer Form has “check the box” attestations that Seller must acknowledge. If Seller is unwilling to make the required attestations by checking the box, Seller cannot participate in the RPS Solicitation BioRAM RFO.

(c) Except for REC Product, provisions have been made to allow Seller to mark Proposals they have successfully completed as mutually exclusive. Seller may not offer mutually exclusive proposals for REC Product.

(d) Seller’s Proposal Offer(s) must be complete in all respects and uploaded using the RPS Solicitation BioRAM RFO Website.

Important: Seller is responsible for the accuracy of all information delivered to SCE through the RPS Solicitation BioRAM RFO Website. SCE will not alter, update, or change any information submitted to the RPS Solicitation BioRAM RFO Website. Seller risks disqualification if delivered information is incorrect or is in conflict with uploaded documents. Seller is advised to use care when assembling and delivering the required information.

(e) Proposals Offers that are incomplete in any way or are delivered to SCE by any means other than uploaded through the RPS Solicitation BioRAM RFO...
Website will be rejected. Printed copies of Proposal Offers, as well as electronic copies via CD, DVD, or flash drive, will not be accepted.

(c) (f) The Proposal Offer Form along with the completed and uploaded documents set forth below make up the “Proposal Offer e-Binder.” Proposal Offer e-Binders must be completed and uploaded by the Proposal Offer Due Date set forth in this document. The date and time set for submission of the Proposal Offer e-Binders will be strictly enforced. Late submissions will be rejected.

(f) (g) Along with the Proposal Offer Form, Seller Offeror must complete and upload to the RPS Solicitation BioRAM RFO Website all of the following documents:

(i) A fully executed Officer’s Certificate – this document, signed by an officer of either the sponsor or project company, signifies Seller Offeror’s agreement to certain conditions including, without limitation: i 1) Seller Offeror’s attestation that Seller Offeror has reviewed the relevant documents and is providing the proposal Offer in good faith; ii 2) Seller Offeror’s attestation that Seller Offeror has site control; and iii 3) Seller Offeror’s attestation that Seller Offeror will not engage in collusion or other unlawful or unfair business practices in connection with the RPS Solicitation BioRAM RFO.

- THIS DOCUMENT MUST BE SIGNED AND UPLOADED WITHOUT MODIFICATION.

- ONE OFFICER’S CERTIFICATE SHOULD MUST BE UPLOADED FOR EACH PROJECT.

(ii) A fully completed and executed Evergreen Non-Disclosure Agreement (“NDA”) (this must be uploaded as a locked MS Word document);

- THIS DOCUMENT MUST BE SIGNED AND UPLOADED WITHOUT MODIFICATION.

- THE EVERGREEN NDA IS INTENDED TO COVER ALL PROJECTS SUBMITTED BY SELLER. ONLY

13 12 Except for the interconnection documents, the environmental review documents, and the project boundary documents, forms for all of these documents are posted on the RPS Solicitation BioRAM RFO Website. Not all of these requirements are applicable to existing projects exercising the Standard Contract Option (see Section 4).
ONE SIGNED EVERGREEN NDA SHOULD BE UPLOADED BY SELLER.

(iii) A fully completed and executed Team Development Experience Letter (this must be uploaded as a locked MS Word document). Please ensure or note:

- All fields marked for completion must be filled in.
- The information must match the Proposal Offer submitted and posted on the RFPBioRAM RFO Website.
- No other modifications to this letter will be accepted.
- Must be signed by an individual duly authorized to bind Seller;

(iv) A fully completed Project Viability Calculator (This must be uploaded for each project as a password-protected MS Excel file);

(v) A fully completed Generation Profile (This must be uploaded for each project as a password-protected MS Excel file); {SCE Note: Does not apply for delivery of REC Product}

(vi) A completed Geographic Information System file of the project boundaries and associated gen-tie (“Project Boundary File”) as required by the CPUC.

(vii) For each project, a copy of the letter from the lead land use permitting agency documenting that the land use permit application for the project has been “deemed complete”¹⁴¹³ to begin the permitting review process (“Environmental Review Letter”). {SCE Note: This requirement applies if (1) the California Environmental Quality Act or the National Environmental Policy Act applies to the ERR Generating Facility and (2) a lead agency has been designated under the applicable law.}

**Important:** SCE will not accept the Evergreen NDA or the Officer’s Certificate if it has been changed to a different format or otherwise altered in any unauthorized way. Seller is required to fill out the locked MS Word Template only in the spaces provided and upload the resulting locked MS Word document. Please sign and then scan and return ONLY the signature pages of each document.

¹⁴¹³ See Note 8.9

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*2015 Request for Proposals from Eligible Renewable Energy Resource Suppliers for Renewable Products*  
*SCE BIORAM RFO Instructions*  
**Article THREE**  
*BioRAM RFO Process and Evaluation of Offers*  
Page 18
(h) Once SCE has completed its review of the above submittals, SCE may ask Seller to provide the following:

(vii) Copies of the Generating Facility’s interconnection studies and/or interconnection agreement. Reminder – Seller must have an active Phase II interconnection study or better in order to be eligible for this RPS Solicitation (See Section 1.03(e)); and documentation demonstrating that the project has passed Fast Track screens.

(viii) A fully-executed Consent for Release of Interconnection Related Information (this must be uploaded as a locked MS Word document); {SCE Note: This document only pertains to Projects located in the SCE Service Territory. Disregard this requirement if your Project is located outside of the SCE Service Territory if the project interconnects to SCE.}

(ix) A completed Geographic Information System file of the project boundaries and associated gen-tie (“Project Boundary File”).

For all interconnection and environmental review documents described above, SCE will accept documents uploaded to the RPS Solicitation BioRAM RFO Website in WORD or the PDF file format. Whenever possible, please upload these documents as searchable PDF files so that SCE may locate particular words or phrases within the respective files.

If Seller is unresponsive to SCE’s requests for documentation, then the Proposals/Offer from Seller may be disqualified from further consideration.

4.04 3.03 The Pro Forma BioRAM PPA 15 14

(a) For the delivery of Bundled Energy Product and Firmed and Shaped Product, SCE’s RenewableBioRAM PPA is structured under the assumption that:

(i) Seller’s Proposal Offer is based upon the green-field development of a new ERR Generating Facility,

(ii) The ERR Generating Facility’s first point of interconnection will be with the CAISO, and

(iii) SCE will be the Scheduling Coordinator.

15 Attached as Associated Documents A and B.
14 Attached as Associated Documents A and B.
SCE’s **RenewableBioRAM** PPA does NOT take into account substitute energy or firmed and shaped energy from Firmed and Shaped Products and will have to be modified accordingly for that product. SCE may serve as Scheduling Coordinator for any existing or proposed In-State ERR-1HZ Generating Facility that is eligible to participate in this **RPS SolicitationBioRAM RFO**. Seller must indicate in its Proposal Offer whether Seller wishes SCE to serve as the Scheduling Coordinator. **SCE DOES NOT SERVE AS SCHEDULING COORDINATOR FOR OUT-OF-STATE PROJECTS.**

For the delivery of REC Product, SCE’s REC Purchase Agreement is structured under the assumption that the ERR Generating Facility is an existing facility.

### 3.04 Resource Adequacy Benefits

For the delivery of Firmed and Shaped and Bundled Energy Product, Seller must offer an ERR Generating Facility based on an interconnection assuming either Energy Only Deliverability Status (“EO”), or such proposals that include the conformer by the CAISO of FCDS, Partial Capacity Deliverability Status (“PCDS”) or Interim Deliverability Status (“IDS”) (collectively, “Capacity Deliverability Status”), and a CAISO Net Qualifying Capacity (“NQC”) assignment.

EO Projects will be deemed to have an NQC of zero and, therefore, cannot be considered to be a Resource Adequacy Resource.

Capacity Deliverability Status Projects are considered to be a Resource Adequacy Resource and are assigned a Qualifying Capacity by the CPUC. The Qualifying Capacity may be reduced by the CAISO as applicable based on: (i) testing and verification; (ii) application of performance criteria; and (iii) deliverability restrictions, yielding the NQC assignment conferred on the Project by the CAISO.

For Capacity Deliverability Status Projects, Seller must indicate a date upon which they anticipate the CAISO will confer on the Project Capacity.

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16 Generating Facilities interconnecting at the distribution system level may be eligible for FCDS through the CAISO’s distributed generation deliverability assessment. The CAISO is working with utility distribution companies assigning FCDS to eligible distributed generation facilities pursuant to the CAISO Tariff Section 40.4.6.3 on an annual basis. The CAISO has posted these distributed generation deliverability assessment seasonal results to its website at [http://www.caiso.com/Documents/SystemRoot/PLANNING](http://www.caiso.com/Documents/SystemRoot/PLANNING). Additional information is also available on SCE’s website at [https://www.sce.com/wps/portal/home/regulatory/open-access-information](https://www.sce.com/wps/portal/home/regulatory/open-access-information).
Deliverability Status. Such date (the “RA Guarantee Date”) may not be earlier than, but may be later than, a date estimated in the Phase II Interconnection Study or equivalent, or interconnection agreement, at Seller’s discretion.\(^{12}\)

For Capacity Deliverability Status Projects, if the Project’s NQC assignment is less than the Qualifying Capacity or is otherwise reduced by the CAISO for any reason, then SCE shall continue to pay to Seller the Product Price. However, Seller must pay to SCE liquidated damages as set forth in Section 3.02 of the Renewable PPA.

(b) The BioRAM PPA reflects SCE’s *Pro Forma* Renewable Power Purchase Agreement (the “*Pro Forma* Renewable PPA”) as amended by the Rider and Amendment to the *Pro Forma* Renewable Power Purchase Agreement (the “Rider”). Each the *Pro Forma* Renewable PPA and the Rider can be found on the BioRAM RFO Website. To the extent that an Offer is selected for SCE’s Shortlist and Seller accepts a Final Agreement with SCE, SCE will create a tailored, project specific BioRAM PPA which shall reflect the Pro Forma Renewable PPA with all incorporated amendments from the Rider.

(c) Documents necessary to complete the BioRAM PPA:

(i) **Exhibit B:**

   a. Description and drawings of the Generating Facility’s equipment, systems, control systems and features (see specifications in BioRAM PPA Exhibit B)

   b. Site plan drawing showing the general arrangement of the Generating Facility

   c. Single-line diagram(s) showing electrical arrangement of generating equipment, unit/service transformers, interconnection transformer(s), metering, breakers, and disconnects (as applicable)

(ii) **Legal description of the Site, including APNs and a Site map Exhibit C – Notice List.**

(iii) **Exhibit G – Seller’s Milestone Schedule and Material Permits.**

\(^{12}\) See Section 3.02 of the Renewable PPA for additional details.
IMPORTANT: Attachment A to these BioRAM RFO Instructions contains forms and guidelines for documents necessary for completing the BioRAM PPA.

4.05 Independent Evaluator

SCE has engaged an Independent Evaluator (“IE”) to evaluate and report on the solicitation, evaluation, selection, and negotiation process for this RPS Solicitation. The Independent Evaluator will review all Proposals and will have the opportunity to be present at meetings and conference calls between SCE and Short-Listed Sellers. BioRAM RFO.

The Independent Evaluator will have full access to the RPS Solicitation BioRAM RFO Website and all the Offer e-Binders and correspondence uploaded by Sellers.

The Independent Evaluator will periodically make presentations to SCE, the CPUC and the PRG in order to ensure that the RPS Solicitation process remains open, fair and transparent.

*** End of ARTICLE THREE ***

ARTICLE Four. STANDARD CONTRACT OPTION

4.01 Explanation of the Standard Contract Option and Green Tariff Shared Renewables (“GTSR”) Program

4.06 Submission of Offers – Resource Adequacy

Offerors have the option to bid a Generating Facility into the BioRAM RFO based on energy-only (“EO”) or Full Capacity Deliverability Status (“FCDS”) interconnection. If bidding a Generating Facility as FCDS, the Offeror must enter in the Offer form the date the Generating Facility will achieve FCDS (the “RA Guarantee Date”), which can be a date after Commercial Operation. Thus, each Offer must indicate whether it is based on an FCDS or EO interconnection, and, if interconnecting pursuant to FCDS the RA Guarantee Date. Subject to the requirements described in these BioRAM RFO Instructions, an Offeror can submit multiple Offers for the same Generating Facility, including separate, mutually exclusive Offers for an EO interconnection and an FCDS interconnection.

An EO interconnection request will identify the interconnection facilities and upgrades necessary to reliably interconnect the project, including but not limited to reliability network upgrades (“RNU”). An FCDS interconnection request will identify the interconnection facilities and upgrades necessary to
reliably interconnect the project and deliver the output of the project to the aggregate of load, including but not limited to RNU and deliverability network upgrades (“DNU”).

The Generating Facility’s interconnection study or GIA must indicate that the project will obtain FCDS by the RA Guarantee Date submitted by the Offeror. For example, if the Generating Facility’s interconnection study states that it will obtain FCDS within 60 to 84 months, the earliest date that an Offeror may designate as the RA Guarantee Date in an Offer based on FCDS is 60 months after the expected execution date of a GIA. Using the example cited, the Offeror can submit any date as the RA Guarantee Date so long as such date is more than 60 months (including a date beyond 84 months) after the expected GIA execution date. In the event an Offeror submits a date earlier than the earliest date indicated by its interconnection study or GIA, then the RA Guarantee Date in the BioRAM PPA and the evaluation will reflect the earliest date the project could obtain FCDS based on the Generating Facility’s interconnection study or GIA.

As part of the RPS Solicitation, SCE is offering a “Standard Contract Option” using the streamlined Renewable Auction Mechanism (“RAM”) procurement tool authorized in D.14-11-042. The Standard Contract Option is only available for Proposals offering Bundled Energy Product and is not available for Proposals offering Firmed and Shaped Product or REC Product. Additionally, the Standard Contract Option is only available to ERR Generating Facilities with a first point of interconnection to the CAISO, and not dynamically scheduled ERR Generating Facilities.

described below, those Offers based on FCDS will receive RA benefits in the evaluation. RA benefits will only be considered for periods after the RA Guarantee Date. Any resulting BioRAM PPA will require the Seller to take all commercially reasonable efforts to expeditiously obtain FCDS. In the event that the project fails to meet its RA obligations pursuant to its PPA, including failures due to a delay in achieving FCDS, the Seller will be subject to liquidated damages as provided for in the BioRAM PPA.

Conversely, EO Offers will not receive any RA benefit in the evaluation. The BioRAM PPA, however, will not include requirements to obtain FCDS.

4.07 Evaluation and Screening of Offers.

SCE will screen Offers on a “pass-fail” basis against the eligibility criteria. In order to be eligible to be considered for selection (“conforming Offer”), the Offer must pass each of the following criteria:

• Generating Facility is an ERR-HHZ, not less than 0.5 MW.
- Forecasted Commercial Operation Date and interconnection date within 36 months of the anticipated date of CPUC approval of a BioRAM PPA.

- The Standard Contract Option provides for the rapid deployment of Projects by avoiding the contract negotiation process and expediting the CPUC approval process for any Final Agreements. Sellers have the option to participate in the Standard Contract Option by checking a box in the Proposal Form. Subject to SCE’s selection of the Proposal and its agreement that a standard contract is appropriate for the Proposal, Seller will be offered a standard contract in the form of the Renewable PPA with no changes or negotiations. Once executed, these standard contracts will be submitted via a Tier 2 Advice Letter to the CPUC for approval. The chart below illustrates the shorter timeframe for anticipated CPUC approval that will benefit standard contract Projects. Project has received a complete Phase II Interconnection Study, has passed Fast Track screens or is an existing or repowered facility that does not require a restudy in order to interconnect.

4.02 Three product categories are available for the Standard Contract Option: Peaking, Non-Peaking and Baseload. These product categories indicate SCE’s desire to balance the resources in its diverse renewables portfolio. SCE will conduct the selection process for the Standard Contract Option in the same manner as all other offers received in the RPS Solicitation using the least-cost, best-fit evaluation process described in Article Five.

18If SCE uses the Standard Contract Option for Green Rate procurement, a representation and warranty is included in the Renewable PPA, only applicable to Green Rate Projects, obligating Sellers to comply with the Green-e® National Energy Standard.

15In order to be considered as an FCDS Offer, project must either have an active Phase II Interconnection Study reflecting that the project was studied for FCDS or a GIA that reflecting that the project already has FCDS.

19This chart overlays the actual schedules of the two most recent RPS and RAM procurements to illustrate the time saved by exercising the standard contract. Please note that the timeline for this RPS Solicitation is subject to change. The interconnection studies contain information about the Generating Facility relevant in the course of evaluation and contracting. Differences in project descriptions, site location, interconnection and delivery points, equipment specifications, etc., from those contained in the Offer will need to be reconciled for the Offer to remain eligible.
4.03 SCE will establish its Short List based on Net Market Value and other criteria as set forth in Article Five, below. In order to be selected, the value of a standard contract project must rank within the range established for the entire Short List.

4.04 In compliance with D.14-11-042, Projects that select the Standard Contract Option must commence commercial operation within 36 months of CPUC Approval of the executed Final Agreement (with a six-month extension for regulatory delay). Seller’s Proposal(s) must include sufficient documentation to support the project meeting the milestones to achieve commercial operation within the 36 months.

4.05 For the Standard Contract Option, Seller must comply with the requirements of Section 3.02.

4.06 Green Tariff Shared Renewables ("GTSR") Program

In D.15-01-051, the CPUC implemented a GTSR program framework. The GTSR program structure approved by the CPUC consists of two elements: (1) a green tariff option (called the “Green Rate” by SCE) allowing customers to purchase energy with a greater share of renewables, and (2) an enhanced community renewables option (called the “Community Renewables program” by SCE) allowing customers to subscribe to renewable energy from community-based projects.

SCE is also procuring for the Green Rate program through this RPS Solicitation. SCE is targeting 30 MW of Green Rate eligible resources and will procure those resources through the Standard Contract Option of this solicitation.

In addition to meeting all other requirements for the Standard Contract Option, to be eligible for SCE’s Green Rate procurement need, Projects must be:

- A solar resource.
- A new ERR Generating Facility with a nameplate capacity that is no less than 0.5 MW and no greater than 20 MW. Existing and repowered facilities are not eligible to participate. A Green Rate Environmental Justice Resource (as
defined below) must have a nameplate capacity that is no greater than 1 MW. The date for interconnection indicated in the Generating Facility’s interconnection study or interconnection agreement, together with the Offeror’s Milestone Schedule, is within 36 months of the anticipated date for final and non-appealable CPUC approval of a BioRAM PPA.

- For example, if the Generating Facility’s interconnection study states that it will be able to interconnect within 12 to 36 months, SCE will assume the earlier end of the range indicated in the interconnection study (12 months in this example) when making its determination under this criterion.

- Located within the service territory of SCE. A Green Rate Environmental Justice Resource (as defined below) must be located within one of the census tracts within SCE’s service territory identified in the Excel file posted to the RPS Solicitation Website—CAISO control area or can be dynamically scheduled into the CAISO.

- Delivery Point is at the first point of interconnection to the CAISO controlled grid.

- The GTSR program includes, among other things, a reservation for generating facilities that are no larger than 1 MW nameplate rated generating capacity and that are located in areas previously identified by the California Environmental Protection Agency as the most impacted and disadvantaged communities. A Green Rate-eligible project that also meets the criteria for this reservation as set forth above is referred to herein as a “Green Rate Environmental Justice Resource.”

- Sellers of Green Rate-eligible Projects must indicate whether they wish to be considered for Green Rate procurement by checking a box in the Proposal form. Only Sellers of Green Rate-eligible Projects checking this box will be considered.

- The project is based on commercialized technology (i.e., is neither experimental, research, demonstration, nor development).

- SCE affiliation is disclosed, if applicable.

- Offeror agrees (which agreement is indicated by the submission of an Offer) to non-disclosure terms and obligations in the BioRAM RFO Non-Disclosure Agreement (“NDA”) incorporated herein by reference.
4.07 Except as may be set forth in this Article Four, Sellers opting to use the Standard Contract Option must comply with all of the requirements of the RPS Solicitation. Offeror has provided information requested by SCE for the purpose of evaluating the Offer, including all other documentation specified in Section 3.04, in conformance with the requirements of Attachment A.
ARTICLE Five. EVALUATION OF PROPOSALS

5.01 Proposal Evaluation Overview

4.08 Ranking and Selection of Conforming Offers.

SCE evaluates and ranks Proposals based on least-cost, best-fit ("LCBF") principles that comply with criteria set forth by the CPUC in D.03-06-071 and D.04-07-029 ("LCBF Decisions") and other CPUC decisions on the investor-owned utilities’ RPS Procurement Plans.\(^2\)

The LCBF analysis evaluates both quantitative and qualitative aspects of each Proposal to estimate its value to SCE’s customers and its relative value in comparison to other Proposals.

Prior to receiving Proposals, SCE finalizes criteria with the IE to determine which attributes could make Proposals clear outliers. SCE then finalizes the major assumptions and methodologies that drive valuation.

Once Proposals are received, SCE will determine which Proposals are clear outliers. For Proposals deemed clear outliers, SCE concludes any further review. SCE will then begin a review for completeness and conformity with the Procurement Protocol. SCE will evaluate Proposals utilizing information that is inputted into the Proposal Form. Supporting documents, such as the Team Development Experience Letter, Interconnection Documents or any other supporting information are for informational purposes only and ARE NOT relevant inputs related to the Proposal evaluation process. SCE’s review includes an initial screen of the Proposal Form for required submission criteria. Proposals that are substantially complete but lacking required information are allowed a reasonable cure period to remedy any deficiencies. Following this check for conformity, SCE conducts an additional review to determine the reasonableness of Proposal parameters such as generation profiles and capacity factors. SCE works directly with Sellers to resolve any issues and ensure the data is ready for evaluation.

After these reviews, SCE performs a quantitative assessment of each Proposal and subsequently ranks them based on the Proposal’s benefit and cost relationships. Specifically, the total benefits and total costs are used to calculate the net levelized cost or “Net Market Value” for each complete and conforming Proposal. Benefits are comprised of separate capacity, energy, and

congestion components, while costs include the contract payments, debt equivalents, integration cost, congestion cost, and transmission cost. SCE discounts the monthly benefit and cost streams to a common base date. SCE also normalizes the net cost or benefit data by MWh generation. The result of the quantitative analysis is a merit-order ranking of all complete and conforming Proposals/Offer’s Net Market Values that help define the preliminary Short-List.

Following the quantitative analysis, SCE conducts an assessment of the most competitive Proposals/Offer’s qualitative attributes. SCE utilizes the Project Viability Calculator to assess certain factors including the company/development team experience, project technology, project financing and development milestones. Additional attributes such as nominal contract payments, contribution to other SCE program goals, transmission area, prior experience with project developers/sellers, seller concentration, and resource diversity are also considered in the qualitative analysis. If a Green Rate procurement need is identified, eligibility for the Green Rate program and Green Rate Environmental Justice Resource status will also be considered—These qualitative attributes are then considered to either eliminate or add Proposals/Offer to the Short-List, or to determine tie-breakers, if any.

Following its analysis, SCE consults with its PRG regarding the Short-List and specific evaluation criteria. SCE will then develop a final Short-List and negotiate with the Short-Listed Sellers after notification of Short-Listing.

SCE, in its sole discretion, reserves the right to enter into Final Agreements with as many Sellers as SCE chooses, including the right to not enter into any Final Agreements at all. Whether a Proposal selected through this process results in an executed contract depends on the outcome of negotiations between SCE and Sellers and where Sellers Proposal pricing ranks based on the criteria set forth herein. Periodically, SCE updates the PRG regarding the progress of negotiations. Finally, SCE executes contracts and submits them to the CPUC for approval via advice letter filings.

For a more detailed discussion of the LCBF methodology, please see the LCBF Methodology document located on the SCE RPS Solicitation Website.

*** End of ARTICLE FIVE ***

ARTICLE Six. __________ SHORT-LISTING

6.01 __________ Minimum Requirements

Sellers are required to follow all of the instructions contained in this Procurement Protocol and the Associated Documents and subsequent amendments in order to be eligible to compete in the solicitation process.
6.02 Upon Notification of Selection for the SCE Short List

In the evaluation, SCE will favor projects that exceed the minimum requirements for HHZ fuel use. SCE will also favor earlier online dates in the Offer evaluation process, in recognition of the state of emergency. In addition, SCE will favor projects with shorter haul distances for HHZ fuel, and projects that deliver into CAISO. As a result, SCE reserves the right to select an Offer out of rank order.

Any non-competitive Offers or evidence of market manipulation will result in Offers being removed from consideration.

If necessary, SCE may request additional information from Offerors prior to selection.

4.09 Preparation and Execution of Final BioRAM PPAs.

A selected Offeror will receive from SCE an executable BioRAM PPA for each selected Offer filled in with the Project and Offeror information. Offerors should carefully review the populated BioRAM PPA for any errors. In the notification of selected status, SCE will specify the last day for selected Offerors to submit the executed signature page(s) of the BioRAM PPA(s), or to notify SCE if electing not to execute the BioRAM PPA(s).

At the time of initial selection, SCE may also notify certain waitlisted Offerors of their status. Such Offerors may be offered PPAs in the event that selected Offerors decline to execute a BioRAM PPA with SCE.

For each BioRAM PPA that an Offeror chooses to execute with SCE, Offeror must return two (or more, at Offeror’s discretion) executed originals of the BioRAM PPA signature pages to SCE by overnight delivery to the following:

Energy Contracts
Southern California Edison
2244 Walnut Grove
Rosemead, CA 91770
Attn: George Wiltsee
626-302-4945

It is anticipated that SCE will then execute final BioRAM PPAs and return one (or more, at Offeror’s discretion) fully executed Final Agreement to Offeror.

4.10 Submission of the Final Agreements to the CPUC.

(a) If SCE notifies Seller that its Proposal has been selected for SCE’s Short-List and Seller would like to continue in the solicitation process, Seller must,
within ten (10) Business Days after such notification, provide to SCE a **Red-line to the Pro Forma PPA** showing changes Seller wishes to negotiate with SCE. The **Pro Forma PPA** is located on the SCE RPS Solicitation Website. Sellers are reminded that a finite amount of time is allotted for the negotiation of the Final Agreement as outlined in the RPS Solicitation Schedule. SCE will submit a Tier 2 advice letter to the CPUC seeking approval of the Final Agreements entered into pursuant to the BioRAM RFO.

(b) As soon as possible after Short-List notification, if required, Seller shall submit to SCE all the elements of Exhibit B to the Renewable PPA as outlined in the Renewable PPA and include:

**ERR Generating Facility Description**
- Name and address of the ERR Generating Facility;
- General description and location of the Site;
- Specific description of the technology; and
- Table containing detailed project specifications and exact counts as applicable.

**Site Plan Drawing**
- Plan view of the ERR Generating Facility; and
- Major equipment components in their exact locations.

**Single Line Drawing**
- Up-to-date, stamped by a Professional Engineer whose certification is in force, and match the latest project characteristics: 1. Equipment clearly illustrated; 2. Electrical system; 3. Generators; 4. Unit and service transformers; 5. Interconnection transformers; 6. Metering; 7. Breakers; and 8. Disconnects;
- A station service transformer on the project’s side of the meter;
- For solar PV projects, each typical solar array must be shown or described; and
- The Interconnection Point, as defined in the PPA clearly illustrated.

**Site Map**

**Legal Description of the Site**
- Derived from the registered deed for the property;
- APNs for the Project’s site.
(e) If Seller’s Proposal has been selected for SCE’s Short-List and Seller does not wish to continue in the 2015 solicitation process, SCE requests that Seller withdraw its Proposal from this RPS Solicitation in writing (via the RPS Solicitation Website) within ten (10) Business Days after the Short-List notification from SCE.

(d) If a Seller’s Proposal has not been selected for SCE’s Short-List, SCE will notify Seller (via the RPS Solicitation Website) no later than ten (10) Business Days following the date that SCE notifies all Sellers selected for the Short-List of their selection.

(e) SCE, in its sole discretion, reserves the right to execute Final Agreements with as many Sellers as SCE chooses including the right to not enter into any Final Agreements.

*** End of ARTICLE SIX ***

ARTICLE Seven. SELLER’S REPRESENTATIONS AND WARRANTIES

7.01 By submitting the Seller’s Officer’s Certificate to SCE as part of a complete and conforming Proposal package, the Seller represents and warrants that its offered Product Price or Contract Price assumes that Seller will post Development Security and/or Performance Assurance, as applicable, equal to the amounts specified in the Pro Forma PPA.

*** End of ARTICLE SEVEN ***

ARTICLE Eight. REGULATORY APPROVAL

8.01 CPUC and FERC Approvals

(b) SCE’s obligations to purchase Product under a Final Agreement will only become effective upon CPUC Approval.

(c) In the event a transaction occurs between SCE and any of its Affiliates, such Final Agreement may also require FERC approval. In such case, SCE’s obligations to purchase power under such Final Agreement will only become effective upon approval by both the CPUC and FERC.

8.02 Support for Regulatory Purposes

SCE may request that Seller provide updates of any information requested in this RPS SolicitationBioRAM RFO for purposes of filing applications or advice letters with the CPUC for approval of any Final Agreement.

*** End of ARTICLE EIGHTFOUR ***
ARTICLE Nine. CONFIDENTIALITY, CONDUCT, AND SAFETY

ARTICLE Nine. 9.01 Confidentiality

Sellers are required to enter into the Evergreen Non-Disclosure Agreement with SCE in the form posted on the SCE RPS Solicitation Website.

9.02 Conduct

It is expected that the Parties will act in good faith in their dealings with each other with respect to this RPS Solicitation. Seller may not engage in Communications (as defined in Article Ten) with any other Seller in the RPS Solicitation concerning the price terms contained in Seller’s Proposal or related matters.

9.03 Safety

Seller must develop a written plan for the safe construction and operation of the ERR Generating Facility as set forth in the Renewable PPA.

*** End of ARTICLE NINE ***

ARTICLE FIVE. ARTICLES Ten. APPLICANT’S ACKNOWLEDGEMENT; WAIVERS AND RESERVATION OF RIGHTS; REPRESENTATIONS, WARRANTIES AND COVENANTS.

10.01 Termination of RPS Solicitation

By submitting an Offer to SCE pursuant to the BioRAM RFO, the Offeror acknowledges the following:

5.01 SCE’s Rights.

SCE reserves the right at any time to modify any dates specified in this RPS Solicitation or abandon this RPS Solicitation without notice and terms specified in these BioRAM RFO Instructions, in its sole discretion and at any time without notice and without assigning any reasons, and without liability of Edison International, SCE or any of their subsidiaries, affiliates or representatives to any Seller. SCE also reserves the right to select zero Offers as an outcome of this BioRAM RFO.\(^{17}\)

\(^{17}\) The CPUC has provided SCE discretion to reject Offers in instances of market manipulation or non-competitive pricing compared to other renewable procurement opportunities.

2015 Request for Proposals from Eligible Renewable Energy Resource Suppliers for Renewable Products SCE BIORAM RFO Instructions

5.02 SCE’s Acceptance of Offers.

SCE will not be deemed to have accepted any Proposal Offer, and will not be bound by any term thereof, unless and until authorized representatives of SCE and Seller execute a Final Agreement and, if appropriate, related collateral and other required agreements.

5.03 Expenses in Event of Termination by SCE.

In the event that the BioRAM RFO is terminated by SCE terminates this RPS Solicitation, Seller shall, each participant will be responsible for any expenses incurred by Seller it incurs as a result of this RPS Solicitation its participation in the BioRAM RFO.

10.02 Release of SCE for any Delays

Seller acknowledges that except for SCE’s obligation to submit a fully executed Final Agreement to the CPUC for approval, Seller bears sole responsibility for submitting all applications and obtaining all permits, leases or mortgages, and interconnection, financing and other agreements necessary for Seller to perform under a Final Agreement.

Seller further acknowledges and agrees that SCE shall have no liability for the:

(a) Time required to complete any studies, obtain any required permits for ERR Generating Facility operation, or enter into any agreements discussed or contemplated under this RPS Solicitation (including without limitation interconnection studies, leases, mortgages, financing or permits);

(b) Time required to perform construction for Network Upgrades necessary to meet the Commercial Operation Deadline;

(c) Time to construct the ERR Generating Facility;

(d) Time required to acquire any environmental permits to construct or operate, including acquisition of any emission credits required by law or regulation; or

(e) Failure to reach agreement on, or time to reach agreement regarding, the use of SCE property for the Site.

5.04 10.03 Waived Claims .

By submitting a Proposal, Seller an Offer, Offeror knowingly, voluntarily, and completely waives any rights under statute, regulation, state or federal constitution or
common law to assert any claim, complaint or other challenge in any regulatory, judicial or other forum, including without limitation, the CPUC (except as expressly provided below), the FERC, the Superior Court of the State of California (“State Court”) or any United States District Court (“Federal Court”) concerning or related in any way to the RPS Solicitation or this Procurement Protocol, the BioRAM RFO or these BioRAM RFO Instructions, including all documents incorporated by reference therein and exhibits, attachments, and appendices attached thereto (“Waived Claims”). SellerOfferor further expressly acknowledges and consents that if it asserts any Waived Claim at the CPUC, FERC, State Court or Federal Court, or otherwise in any forum, to the extent that SellerOfferor’s ProposalOffer has not already been disqualified, SCE is entitled to automatically disqualify this ProposalOffer from further consideration in the RPS SolicitationBioRAM RFO or otherwise, and further, SCE may elect to terminate the RPS SolicitationBioRAM RFO.

By submitting a Proposal, SellerOfferor further agrees that the sole forum in which SellerOfferor may assert any challenge with respect to the conduct or results of the RPS SolicitationBioRAM RFO is at the CPUC. SellerOfferor further agrees that: (1) the sole means of challenging the conduct or results of the RPS SolicitationBioRAM RFO is a complaint filed under Article 3, Complaints and Commission Investigations, of Title 20, Public Utilities and Energy, of the California Code of Regulations, (2) the sole basis for any such protest shall be that SCE allegedly failed in a material respect to conduct the RPS SolicitationBioRAM RFO in accordance with this Procurement Protocolthese BioRAM RFO Instructions; and (3) the exclusive remedy available to SellerOfferor in the case of such a protest shall be an order of the CPUC that SCE again conduct any portion of the RPS SolicitationBioRAM RFO that the CPUC determines was not previously conducted in accordance with this Procurement Protocol (including any Associated Documents). SellerOfferor expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs and/or attorneys’ fees. Unless SCE elects to do otherwise in its sole discretion, during the pendency of such a protest the RPS SolicitationBioRAM RFO and any related regulatory proceedings related to the RPS SolicitationBioRAM RFO will continue as if the protest had not been filed, unless the CPUC issues an order suspending the RPS SolicitationBioRAM RFO or SCE has elected to terminate the RPS SolicitationBioRAM RFO.

SellerOfferor further acknowledges and agrees that if SellerOfferor asserts any Waived Claim, SCE shall be entitled to seek immediate dismissal of SellerOfferor’s claim, complaint or other challenge, with prejudice, by filing a motion to dismiss (or similar procedural device) supported by the language in this Article NineSection 4.04 and that SellerOfferor will not challenge or oppose such a request for dismissal.
Seller/Offeror further acknowledges and agrees that if it asserts any Waived Claim, and if SCE successfully has that claim dismissed or transferred to the CPUC, Seller/Offeror shall pay SCE’s full costs and expenses incurred in seeking such dismissal or transfer, including reasonable attorneys’ fees.

Seller agrees to indemnify, defend and hold harmless SCE from any and all claims by any other Seller asserted in response to the assertion of any Waived Claim by Seller or as a result of a Seller’s protest to a filing at the CPUC resulting from the RPS Solicitation.

Except as expressly provided in this Procurement Protocol, nothing in the Procurement Protocol, including Seller’s waiver of any Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of SCE.

*** End of ARTICLE TEN ***

5.05 Offeror’s Representations, Warranties and Covenants.

(a) By submitting an Offer, Offeror agrees to be bound by the conditions of the BioRAM RFO, and makes the following representations, warranties, and covenants to SCE, which representations, warranties, and covenants shall be deemed to be incorporated in their entireties into each of Offeror’s Offers:

(i) Offeror has read, understands and agrees to be bound by all terms, conditions and other provisions of these BioRAM RFO Instructions;

(ii) Offeror has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the BioRAM RFO and these BioRAM RFO Instructions, including the forms listed in Section 4.03;

(iii) Offeror warrants herein that the Product Price includes Offeror’s cost of providing the Development Security in accordance with Section 3.06 of the BioRAM PPA;

(iv) Offeror warrants herein that the Product Price includes Offeror’s cost of providing the Performance Assurance in accordance with Section 1.06 of the BioRAM PPA;

(v) Offeror has obtained all necessary authorizations, approvals and waivers, if any, required by Offeror to submit its Offer pursuant to the terms of these BioRAM RFO Instructions and to enter into a Final Agreement with SCE;

(vi) Offeror’s Offer complies with all Applicable Laws;
(vii) Offeror has not engaged, and covenants that it will not engage, in any communications with any other actual or potential Offeror in the BioRAM RFO concerning this solicitation, price terms in Offeror’s Offer, or related matters and has not engaged in collusion or other unlawful or unfair business practices in connection with the BioRAM RFO:

(viii) Any Offer submitted by Offeror is subject only to SCE’s acceptance, in SCE’s sole discretion; and

(ix) The information submitted by Offeror to SCE in connection with the BioRAM RFO and all information submitted as part of any Offer is true and accurate as of the date of Offeror’s submission. Offeror also covenants that it will promptly update such information upon any material change thereto.

(b) By submitting an Offer, Offeror acknowledges and agrees that:

(i) SCE may rely on any or all of Offeror’s representations, warranties, and covenants in the BioRAM RFO (including any Offer submitted by Offeror);

(ii) SCE may disclose information as set forth in the NDA; and

(iii) In SCE’s evaluation of Offers pursuant to the BioRAM RFO, SCE has the right to disqualify an Offeror that is unwilling or unable to meet any other requirement of the BioRAM RFO, as determined by SCE in its sole discretion.

(c) BY SUBMITTING AN OFFER, OFFEROR HEREBY ACKNOWLEDGES AND AGREES THAT ANY BREACH BY OFFEROR OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE BIORAM RFO INSTRUCTIONS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH OFFEROR, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO SCE UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY.

*** End of ARTICLE FIVE ***
ARTICLE SIX.   CONFIDENTIALITY, CONDUCT, AND SAFETY.

6.01 Confidentiality.

Sellers are required to enter into the Evergreen Non-Disclosure Agreement with SCE in the form posted on the BioRAM RFO Website.

6.02 Conduct.

It is expected that the Parties will act in good faith in their dealings with each other with respect to this BioRAM RFO. Seller may not engage in Communications (as defined in Article Seven) with any other Seller in the BioRAM RFO concerning the price terms contained in Seller’s Offer or related matters.

6.03 Safety.

Seller must develop a written plan for the safe construction and operation of the ERR-HHZ Generating Facility as set forth in the BioRAM PPA.

*** End of ARTICLE SIX ***
ARTICLE SEVEN. ARTİCLE Eleven. COMMUNICATIONS

11.1 For purposes of this RPS SolicitationBioRAM RFO, “Communications” means the exchange of any material information by electronic, written, oral or other means other than as expressly provided for herein.

All Communications concerning this RPS SolicitationBioRAM RFO, including Communications concerning the preparation of ProposalsOffers or other submissions to SCE related to the RPS SolicitationBioRAM RFO, should be submitted to SCE via the RPS SolicitationBioRAM RFO Website.

SCE may, in its sole discretion, decline to respond to any correspondence or other inquiry without liability or responsibility.

*** End of ARTICLE ELEVENSEVEN ***

ARTICLE Eleven.—
ARTICLE EIGHT.  ARTICLE Twelve.  SCE RIGHTS AND DOCUMENT CONFLICTS

8.01  12.01 SCE’s Rights.

SCE may, at its sole discretion, enter into Final Agreements with one or more entities submitting Proposals offers that will provide the best value to SCE’s customers considering a variety of factors as discussed below.

SCE reserves the right to reject any Proposal offer at any time on the grounds that it does not conform to the terms and conditions of this Procurement Protocol these BioRAM RFO Instructions.

SCE also retains the right, in its sole judgment, to:

(a) Subject to D.14-11-042, modify this Procurement Protocol042 and Resolution E-4770, modify these BioRAM RFO Instructions, and any of the Associated Documents, as it deems necessary;

(b) Condition SCE’s acceptance of any selected Proposal offer on a Seller’s agreement to modifications thereto including any modifications that may be recommended by SCE’s PRG; and

(c) Determine what is or is not “reasonable,” as this term is used within this Procurement Protocol these BioRAM RFO Instructions.

8.02  12.02 Document Conflicts.

In the event of any conflict between terms contained in this Procurement Protocolthese BioRAM RFO Instructions or any of the Associated Documents, the conflict will be resolved by the following priority of documents:

(a) The Rider and Amendment

(b) (a) The Pro Forma Renewable PPA;

(c) (b) The CAISO Tariff; and

(d) (c) This Procurement Protocol; The BioRAM RFO Instructions;

Notwithstanding the foregoing, if a Final Agreement is executed between SCE and Seller, it will have precedence over the documents listed above.
**ATTACHMENT A**

*BioRAM PPA Exhibit B Quality Checklist and Generating Facility Description Template*

Use this checklist to help you construct a complete Exhibit B for your offer submission. Remember to label everything and always err on the side of inclusiveness. SCE looks at these documents very closely and has a lot of experience doing so. Projects that don’t meet these criteria will be deemed deficient.

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**Generating Facility Description**

[For Biofuel]

**Name and Address of Generating Facility:**

**Latitude and Longitude:** [approximate centroid]

**Technology:** [specify stoker grate, circulating fluidized bed, etc.] Boiler

**Ultimate Heat Sink:** [specify Evaporative Cooling Tower, Dry Cooling Tower, or River/Lake]

**Fuel Type and Source:**

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[Unless stated otherwise, all fields in the table are required.]

**Description of Host Facility:** [if applicable]

**Description of Shared Facilities:** [if applicable]
### ATTACHMENT B

**Time of Delivery Periods**

*and*

**Product Payment Allocation Factors**

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Appendix C

Modified BioRAM RFO Instructions
SCE BIOFUEL RENEWABLE AUCTION MECHANISM ("BIORAM") PROGRAM

REQUEST FOR OFFERS

for

Renewable Energy from Generating Facilities Using Forest Fuel from High Hazard Zones

RFO Participant Instructions

April 7, 2016
# SCE BIOFUEL RENEWABLE AUCTION MECHANISM ("BIORAM") PROGRAM

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ATTACHMENTS

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ATTACHMENT B. Time of Delivery Periods and Product Payment Allocation Factors

ATTACHMENT C. Sample List of Power Procurement Subcontracting Opportunities
LIST OF ASSOCIATED DOCUMENTS

A. RIDER AND AMENDMENT TO PRO FORMA RENEWABLE POWER PURCHASE AGREEMENT

B. PRO FORMA RENEWABLE POWER PURCHASE AGREEMENT

The above documents may be located and downloaded from the BioRAM RFO Website:

https://sceram.accionpower.com

1 All references to the BioRAM RFO Website herein refer to this website location.
ARTICLE ONE. GENERAL INFORMATION.

1.01 Introduction.

Southern California Edison (“SCE”) is issuing its Biofuel Renewable Auction Mechanism (“BioRAM”) Request for Offers (referred to herein as the “RFO,” the “BioRAM RFO” or “BioRAM”) to solicit offers (“Offers”) from owners (“Offerors” or “Sellers”) of eligible renewable energy resource (“ERR”) Generating Facilities capable of burning forest fuel from high hazard zones for wildfire and falling trees (“ERR-HHZ”) to supply Product under a standard Renewable Power Purchase and Sale Agreement (“BioRAM PPA”) for execution in accordance with these BioRAM RFO Participant Instructions (“BioRAM RFO Instructions” or “RFO Instructions”).

All purchases will be made according to the terms and conditions set forth in the BioRAM PPA. The purpose of the BioRAM RFO Instructions is to:

(a) Describe the Product for which SCE is soliciting;
(b) Set forth the requirements of each Offer submission, including waivers, representations, warranties and covenants deemed made for all purposes as part of the Offer submission;
(c) Describe the methods that SCE uses to evaluate each Offer;
(d) Document the rights that SCE reserves for itself with regard to the BioRAM RFO; and
(e) Describe the time frame for the BioRAM RFO.

The BioRAM Instructions and its two Associated Documents are available on the BioRAM RFO Website.

Capitalized terms used in these BioRAM RFO Instructions, but not otherwise defined herein have the meanings set forth in the BioRAM PPA or the California Independent System Operator (“CAISO”) tariff.

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2 California Public Utilities Commission (“CPUC”) Resolution E-4770 at 5-6, 18 (Ordering Paragraph (“OP”) 1).
3 For purposes of this BioRAM RFO and any final BioRAM PPA executed pursuant thereto, an ERR is a generating facility that meets all of the criteria set forth in Public Utilities Code Section 399.12, Public Resources Code Section 25741, and the California Energy Commission’s “Renewables Portfolio Standard (RPS) Eligibility Guidebook,” available at: http://www.energy.ca.gov/portfolio/index.html.
4 “Product” means (i) all energy produced by the Generating Facility, net of Station Use, and (ii) all Green Attributes, Capacity Attributes, and Resource Adequacy Benefits (each as defined in the BioRAM PPA).
5 A List of Associated Documents is found on page iv of this BioRAM RFO Instructions.
1.02 Definition of Products Being Solicited.

(a) **Bundled Energy Product.** Product qualifying as Portfolio Content Category 1 ("Category 1" or "Category 1 Product"),\(^6\) which includes all electric energy produced by an ERR Generating Facility throughout the Term of the Final Agreement, net of Station Use; all Green Attributes; all Capacity Attributes, if any; and all Resource Adequacy Benefits, if any; generated by, associated with, or attributable to the output of the ERR-HHZ Generating Facility throughout the Term of the Final Agreement whether such credits or other attributes exist at the time a Final Agreement is executed or are created later during the Term of the Final Agreement.

(b) **Firmed and Shaped Product.** Product qualifying as Portfolio Content Category 2 ("Category 2" or "Category 2 Product"),\(^7\) which includes firmed and shaped ERR electricity products providing incremental electricity and scheduled into a California Balancing Authority, as well as all associated Green Attributes, all Capacity Attributes, if any; and all Resource Adequacy Benefits, if any.

(c) As used herein, the term “Final Agreement” refers to any final agreement for the purchase of Product executed by SCE and Seller as a result of the BioRAM RFO.

1.03 Basic Terms and Conditions.

(a) Sellers must propose Commercial Operation Dates that start on the first day of the month.

(b) Prior to the start of the Term of the Final Agreement, Sellers may, at their discretion, deliver energy, capacity or other attributes of the ERR-HHZ Generating Facility (i) through the CAISO Market, (ii) to a balancing authority, or (iii) to a third-party off-taker.

(c) SCE will consider Offers from Sellers with ERR-HHZ Generating Facilities that are located outside the State of California only if they can deliver Product that qualifies as Category 1 or Category 2. Out-of-state Category 1 and Category 2 Offers must deliver Product into the CAISO.

(d) With respect to any Project, SCE WILL NOT ACCEPT OFFERS TO DELIVER PRODUCT AT THE PROJECT’S BUSBAR.

(e) SCE is only soliciting Product from ERR-HHZ Generating Facilities that possess: (1) an active, completed Phase II Interconnection Study or

---

\(^6\) In accordance with Public Utilities Code Section 399.16(b)(1) and D.11-12-052.

\(^7\) In accordance with Public Utilities Code Section 399.16(b)(2) and D.11-12-052.
equivalent.

(2) a signed interconnection agreement, or (3) an equivalent or better interconnection study, agreement, process, or exemption.

The interconnection study or agreement (1) must be in the same name as the Seller under the BioRAM PPA, or (2) the sponsor must demonstrate, to SCE’s reasonable satisfaction, that sponsor has exclusive rights to the interconnection agreement by means of an unconditional assignment.

(f) If (1) the California Environmental Quality Act (“CEQA”) or the National Environmental Policy Act (“NEPA”) applies to the ERR-HHZ Generating Facility and (2) a lead agency has been designated under the applicable law, then SCE will consider Offers from such ERR-HHZ Generating Facilities only if the ERR-HHZ Generating Facility has achieved, at a minimum, an “application deemed complete” (or equivalent)\(^8\) status under the land use entitlement process by the agency designated by CEQA or NEPA as the lead agency. Offers not meeting this requirement will not be given further consideration.

(g) Sellers with new ERR-HHZ Generating Facilities may offer a term length equal to ten (10) years. Sellers with existing or repowered ERR-HHZ Generating Facilities may offer a term length equal to five (5) years.

(h) Offers for Product delivered from ERR-HHZ Generating Facilities with a Contract Capacity of 500 kW or greater are eligible to participate in this BioRAM RFO.

(i) SCE intends that the definitions of “Site” and “Site Control” not only mean the land upon which the ERR-HHZ Generating Facility is expected to be located, but also encompasses any rights-of-way or other real property rights necessary for Seller to be able to deliver the Product to SCE (e.g., land on which Seller’s generation tie line between the ERR-HHZ Generating Facility and the Interconnection Point shall be constructed). Seller’s Offer must demonstrate Site Control or the Offer will not be given further consideration.

(j) Seller’s Generating Facility must be a new, existing, or repowered Generating Facility that is an ERR.

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\(^8\) For Projects that are utilizing the interconnection study fast track process, SCE will accept either: (1) written evidence from the transmission/distribution provider that the ERR-HHZ Generating Facility has passed all fast track screens and no further studies are required; or (2) a completed System Impact Study and Facilities Study (or evidence from the transmission/distribution provider that the Facilities Study was waived); or (3) a signed interconnection agreement.

\(^9\) Pursuant to Section 6.1 of D.14-11-042, local government uses the term “application deemed complete” (California Government Code §65943); California Energy Commission uses the term “data adequate” (Title 20 CCR § 1709); Bureau of Land Management uses the term “completed application” (43 CFR 2804.25).
(i) An existing ERR Generating Facility must be certified by the California Energy Commission ("CEC") as an ERR or multiple ERRs prior to the Offer Due Date as set forth in the BioRAM RFO Schedule.

(ii) For ERR Generating Facilities not yet on-line and for repowered ERR Generating Facilities, SCE requires Seller to seek CEC "pre-certification" as an ERR prior to the Commercial Operation Date.

(k) Sellers’ Offers intending to deliver Bundled Energy Product and Firmed and Shaped Product shall convey to SCE all electric energy, as well as all attributes associated with such electric energy, including, but not limited to, Metered Amounts, Green Attributes, Capacity Attributes, and Resource Adequacy Benefits that are attributable to the ERR Generating Facility as detailed in the BioRAM PPA.

(l) On February 13, 2013, the CPUC issued D.13-02-015, authorizing SCE to procure between 1,400 and 1,800 MW of capacity in the Western LA Basin sub-area to meet the long-term local capacity requirements ("LCR") by 2021. On March 14, 2014, the CPUC issued D.14-03-004 authorizing SCE to procure an additional 500 to 700 MW of capacity in the Western LA Basin sub-area to satisfy the same local capacity requirements.

Offers from Sellers meeting the LCR criteria and/or the Preferred Resources Pilot criteria may be also eligible for classification as a Resource Adequacy Resource through the CAISO’s distributed generation deliverability assessment program. The CAISO is working with utility distribution companies to assign Full Capacity Deliverability Status ("FCDS") to eligible distributed generation facilities pursuant to the CAISO Tariff Section 40.4.6.3. The CAISO performs this process on an annual basis.

(m) SCE will only consider Offers that are substantially complete and include all of the applicable information, representations, warranties, and covenants as set forth in these BioRAM RFO Instructions and/or the on-line application Sellers are required to complete (the “Offer Form”).

(n) SCE will host a Webinar to discuss the BioRAM RFO process with participants. Information on how to attend the conference will be made available on the BioRAM RFO Website.

(o) SCE encourages Women-Owned, Minority-Owned, Disabled Veteran-Owned, Lesbian-Owned, Gay-Owned, Bisexual-Owned, and/or Transgender-Owned Business Enterprises (“Diverse Business Enterprises”) to participate in the BioRAM RFO. Information on SCE’s Supplier Diversity Program can be found on the following SCE website: www.sce.com/sd.
CPUC General Order (“GO”) 156 (http://www.cpuc.ca.gov/PUC/documents/go.htm) sets the rules governing, among other things, goals, annual reporting and annual planning in the development of programs to increase participation of Diverse Business Enterprises in procurement of contracts from utilities as required by the California Public Utilities Code.

You can help SCE achieve its GO 156 goals in the following ways:

(i) For qualified Diverse Business Enterprise Sellers (Tier 1 – direct contracting with SCE), ensure you are certified by the CPUC (The Supplier Clearinghouse) (www.thesupplierclearinghouse.com). Disabled Veteran Owned Business Enterprises in California are certified through the California Department of General Services (www.dgs.ca.gov/) and are automatically recognized by The Supplier Clearinghouse.

(ii) Require that any qualified Tier 2 Diverse Business Enterprises (subcontractors to a Tier 1 Seller) that perform work or deliver materials related to a project that is ultimately under contract with SCE are certified by one of the above mentioned agencies.

Furthermore, as provided in Section 6.3 of GO 156, SCE’s Supplier Diversity efforts include encouraging its Sellers to develop plans to utilize Diverse Business Enterprise subcontractors. SCE can help with identifying Diverse Business Enterprises for subcontracting opportunities. In addition, the Renewable PPA includes a requirement to report payments made to Diverse Business Enterprises that supplied goods or services as subcontractors.

A sample list of potential products and services that may be available through Diverse Business Enterprises as subcontractors is provided in the table below. This table is not intended to serve as a comprehensive list of all of the subcontracting opportunities that may be available.

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<td>Products</td>
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### Article ONE General Information

- Environmental Impact Studies
- MRO (Balance of Plant: wiring, conduit, steel, concrete, etc.)
- Panels
- Technology

- Construction
- Consulting
- Engineering (Interconnection design, roads/grading, SWPPP, Arc Flash Study, Geotechnical reports, environmental monitoring, etc.)
- EPC Contractor
- Installation
- Land Acquisition
- Legal Services
- Permitting
- Research and Development (R&D)
- Site Prep
- Transportation

- IT Equipment (Hardware & Software)

- Engineering (Fire protection and Telecommunication)
- Facilities Management
- IT Support (Hardware & Software)
- Janitorial
- Large Equipment rentals and operator
- Legal Services
- Panel Cleaning
- Plant Maintenance
- Plant Security
- Regulatory Reporting Services
- Specialty/Admin Staffing
- Water Treatment & Testing

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This list was compiled with input from SCE, San Diego Gas & Electric and Pacific Gas and Electric. Please note that there may be other potential products and services that may qualify.

1.04 **Communications.**

The primary method for exchange of information or documents concerning the BioRAM RFO, including any such exchange concerning the preparation or submission of Offers to SCE, will be via the BioRAM RFO Website. All communications, verbal or written, should be documented on the Website.

SCE may, in its sole discretion, decline to respond to any email or other inquiry about the BioRAM RFO without liability or responsibility.

*** End of ARTICLE ONE ***
ARTICLE TWO.  ELIGIBILITY REQUIREMENTS.

2.01  Summary of Eligibility Requirements.

A.  Product from an ERR that utilizes specified minimum percentages of forest fuel feedstock from high hazard zones (“HHZ”) for wildfire and falling trees that are identified by the California Department of Forestry and Fire Protection, the California Natural Resources Agency, the California Energy Commission or the California Department of Transportation.\(^{10}\)

B.  A Generating Facility with a nameplate capacity not less than 0.5 MW.

C.  Located within the CAISO control area or can be dynamically scheduled into the CAISO.

D.  An active, completed Phase II Interconnection Study or equivalent, a signed generator interconnection agreement (“GIA”), an equivalent or better interconnection study, agreement, process or exemption, or documentation demonstrating that the project is an existing or repowered facility that does not require a restudy in order to interconnect.

E.  Site Control.

F.  Forecasted Commercial Operation Date and interconnection date that is within 36 months of the anticipated date for final and non-appealable CPUC approval of the BioRAM PPA.

G.  Developer Experience.

H.  Commercialized technology (i.e., neither experimental, research, demonstration, nor development).

2.02  Renewable Resource Eligibility.

SCE will consider all timely Offers from any new, existing or repowered ERR-HHZ, subject to the additional requirements stated in this Article Two.

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\(^{10}\) The necessary percentages of HHZ fuels are specified in the BioRAM Rider and Amendment, and the Seller is required to warrant that the fuel has been taken from a high hazard zone area.
2.03 **Certification or Pre-Certification as an ERR.**

SCE encourages new Generating Facilities to seek “pre-certification” as an ERR by the California Energy Commission (“CEC”) prior to submittal of Offers. Existing or repowered Generating Facilities must be certified as an ERR prior to submittal of Offers.

2.04 **Existing or Repowered Projects.**

This BioRAM RFO is open to both existing and new facilities; however, in recognition of the state of emergency, SCE will favor earlier online dates in the offer evaluation process.

An existing or repowered facility may participate in BioRAM if the facility is not currently delivering energy pursuant to an existing contractual agreement with PG&E, SDG&E, or SCE, or if such an agreement exists but it is scheduled to expire by its own terms, without further action of the parties thereto, within 36 months of the anticipated date of CPUC approval of a BioRAM PPA.

For existing or repowered projects that are currently operating under a Qualifying Facilities power purchase agreement (“QF PPA”), the Interconnection Facilities Agreement is usually an integral part of the QF PPA, and will not survive the expiration of such contract. The result is that any Offer that is intended to be end-to-end with an expiring QF PPA will only be eligible for this BioRAM RFO if the Offeror provides, by the Offer submittal deadline, one of the results letters defined below in items 1 and 2, as applicable:

1. For an interconnection at the transmission level, a CAISO results letter, stemming from the Material Modifications Review as outlined in CAISO Tariff Section 25.1.2, finding that there will be no substantial changes to the total capabilities and electrical characteristics of the generating facility and that the Offeror may proceed directly to the completion of a GIA.

2. For an interconnection at the distribution level, a results letter from PG&E, SCE, or SDG&E (as applicable) finding that there will be no substantial changes to the total capabilities and electrical characteristics of the generating facility and that the Offeror may proceed to the completion of a GIA based on the Wholesale Distribution Access Tariff.

For existing and/or repowered facilities to obtain a results letter that states unambiguously that the project does not need further study or review, the Offeror must present sufficient information to enable the transmission/distribution provider to make that determination. Such information includes, at a minimum, equipment specifications and characteristics, including new or different metering and protection devices, as applicable.
SCE requires an Offeror with respect to an existing or repowered facility to provide, as part of the Offer, a written report from a licensed independent engineer that provides an assessment of the remaining useful life of the facility.

2.05 **Minimum Contract Capacity.**

For any resource, the minimum contract capacity for this RFO is 0.5 MW.

2.06 **Location.**

In order to be eligible for the BioRAM RFO, an ERR-HHZ Generating Facility must be located within the CAISO control area or be dynamically scheduled into the CAISO.

(a) **In-State**

An ERR-HHZ Generating Facility is considered “In-State” if such ERR-HHZ Generating Facility’s first point of interconnection is, or will be, to the transmission or distribution system of a California Balancing Authority (“CBA”).

(b) **Out-of-State**

An ERR-HHZ Generating Facility is considered “Out-of-State” if such ERR-HHZ Generating Facility’s first point of interconnection is not, or will not be, to the transmission or distribution system of a CBA but the ERR-HHZ Generating Facility is delivering Product. Seller shall comply with all requirements pertaining to “Out-of-State Facilities” as set forth in the CEC RPS Eligibility Guidebook, including, but not limited to, ensuring that:

(i) The ERR-HHZ Generating Facility is located so that its first point of interconnection is, or will be, to the Western Electricity Coordinating Council transmission system;

(ii) The ERR-HHZ Generating Facility does not cause or contribute to any violation of a California environmental quality standard or requirement within California; and

(iii) The ERR-HHZ Generating Facility participates in an RPS tracking and verification system approved by the CEC (including WREGIS and NERC E-Tags).

2.07 **Term.**

The Term of any BioRAM PPA for a new facility will be ten (10) years. The Term of any BioRAM PPA for an existing or repowered facility will be five (5) years, with the
right for SCE to extend the Term for one year at a time up to a cumulative total of ten (10) years so long as HHZ fuel is available at the minimum fuel requirement. The Generating Facility must be scheduled to commence Commercial Operation within 36 months of CPUC Approval of the executed Final Agreement. For purposes of eligibility to bid into BioRAM, the Generating Facility’s latest interconnection study or interconnection agreement, together with the Offeror’s Milestone Schedule, must support a forecasted Commercial Operation Date within 36 months of the anticipated date of CPUC Approval of a Final Agreement.

2.08 Procurement Target for the BioRAM RFO.

SCE’s target for this BioRAM RFO is to procure at least 20 MW of eligible resources.

2.09 SCE Affiliates.

SCE affiliates are permitted to participate in the BioRAM RFO. Offeror must disclose whether or not it is an SCE affiliate.

2.10 Potential Funding for Development Security.

Offers associated with the Hopi Tribe and/or Navajo Nation that qualify under the requirements of D.13-02-004 may be entitled to use available funds from the Mohave SO\(_2\) Revolving Fund to meet the development security obligations under the BioRAM PPA, subject to the provision of the necessary documentation and assurances in the Final Agreement.

*** End of ARTICLE TWO ***
ARTICLE THREE. PRODUCT DELIVERY AND PRICE.

3.01 Delivery of Bundled Energy Product.

(a) In-State.

For In-State ERR-HHZ Generating Facilities that are, or will be, interconnected to the CAISO, the Delivery Point must be the point where the ERR-HHZ Generating Facility connects to the CAISO Controlled Grid.

For In-State ERR-HHZ Generating Facilities that are, or will be, interconnected to a CBA other than the CAISO, the Delivery Point must be the intertie point where Seller’s transmission provider ties to the CAISO (“CAISO Intertie”).

(b) Out-of-State.

For Category 1 Product, Seller must reasonably demonstrate to SCE as part of its submitted Offer e-Binder that the output of the proposed Out-of-State ERR Generating Facility can in fact be scheduled on an hourly or sub-hourly basis into a CBA, without substituting electricity from another source, or dynamically transferred into a CBA. Such reasonable demonstration may include, for example, a Dynamic Scheduling Host Balancing Authority Operating agreement as defined in the CAISO Tariff.

Seller will be required to have firm transmission rights to the Delivery Point within the CAISO or to the respective CAISO Intertie for the duration of the term of the Final Agreement.

Product that is certified as eligible for the California RPS may be eligible as a Category 2 Product if the ERR from which the electricity is procured is firmed and shaped with substitute electricity providing incremental electricity scheduled into a California Balancing Authority (“CBA”) within the same calendar year as the generation from the ERR. For further details, please refer to D.11-12-052.

Category 2 Offers must include firming and shaping service to a CAISO interface point. Offers to deliver at the Project’s busbar will not be accepted. Agreements for substitute energy firming and shaping services must be at least five years in duration for an existing facility, and ten years in duration for a new facility. Participants offering a Category 2 Product should provide the delivery profile of the firmed and shaped product in their Offer and specify the CAISO delivery point.

The Delivery Point is subject to SCE’s approval in its sole discretion.
3.02 **Existing ERR Generating Facility, Existing Power Purchase Agreement.**

An existing ERR Generating Facility with an existing power purchase agreement must submit an Offer that:

(a) States the full name of the ERR-HHZ Generating Facility as well as the contract identification number, Qualifying Facilities (“QF”) number, or any other information necessary for SCE to identify the ERR-HHZ Generating Facility;

(b) States the date on which the Seller believes that the existing power purchase agreement will terminate;

(c) Demonstrates to SCE’s reasonable satisfaction that Seller’s existing power purchase agreement will terminate, by its own terms, without further action of the parties thereto, prior to the date on which deliveries from the existing ERR-HHZ Generating Facility will commence under Seller’s Offer.

3.03 **Product Price.**

SCE intends to purchase Bundled Energy Product and Firmed and Shaped Product from those Sellers that have executed a BioRAM PPA with SCE at the Product Price, in $/MWh, as defined in the BioRAM PPA and further outlined below.

The Product Price submitted by Seller as part of its Offer must:

(a) Conform with the pricing requirements in the BioRAM PPA;

(b) Assume, if applicable, posting Development Security, Performance Assurance and any other security as required by the BioRAM PPA;

(c) If applicable, include awards, subsidies, tax credits, grants, etc.;

(d) If applicable, assume the cost to dynamically schedule or firm and shape the Product into the CAISO at the Delivery Point; and

(e) If applicable, assume the cost of any firm transmission rights to deliver the Product into the CAISO at the Delivery Point.

SCE will not accept an indexed pricing Offer.

Seller must submit its price assuming the Product Price will be adjusted by SCE in each settlement interval in each Time of Delivery Period by the Product Payment Allocation Factors set forth in Exhibit J to the BioRAM PPA.

*** End of ARTICLE THREE ***
ARTICLE FOUR.  BIORAM RFO PROCESS AND EVALUATION OF OFFERS.

4.01  BioRAM RFO Anticipated Schedule.

<table>
<thead>
<tr>
<th><strong>Date</strong></th>
<th><strong>Event</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>April 7, 2016</td>
<td>SCE files Tier 2 advice letter in compliance with Resolution E-4770.</td>
</tr>
<tr>
<td>May 2, 2016</td>
<td>CPUC Approval of Tier 2 advice letter.</td>
</tr>
<tr>
<td>May 16, 2016 – 9:00-11:00 am Pacific Prevailing Time (PPT)</td>
<td>SCE hosts BioRAM RFO webinar.</td>
</tr>
<tr>
<td>June 15, 2016 – 12:00 pm (noon) PPT</td>
<td>Auction – Deadline for Offerors to submit Offers and required documentation including information necessary to populate BioRAM PPAs (the “Offer Due Date”).</td>
</tr>
<tr>
<td>August 1, 2016</td>
<td>Anticipated date SCE will notify each Offeror regarding the selection status of each Offer and provide executable BioRAM PPAs.</td>
</tr>
<tr>
<td>TBD</td>
<td>Anticipated deadline for selected Offerors to submit executed signature pages of BioRAM PPAs.</td>
</tr>
<tr>
<td>TBD</td>
<td>Anticipated date of SCE execution of final BioRAM PPAs.</td>
</tr>
<tr>
<td>TBD</td>
<td>Anticipated date of SCE submittal of Tier 2 Advice Letter seeking CPUC approval of executed BioRAM PPAs.</td>
</tr>
</tbody>
</table>

4.02  **Auction – Submission of Offer(s).**

Each complete Offer, conforming to these BioRAM RFO Instructions, must be submitted by 12:00 pm (noon) PPT on June 15, 2016. SCE will only consider submissions that, as of the submittal deadline, constitute complete and conforming Offers.
An Offeror can submit a single or multiple Offers. Offers can be mutually inclusive of each other (i.e., in order to take a single Offer, SCE must accept all Offers within a mutually inclusive set), or mutually exclusive of each other (i.e., a group of Offers where SCE can only select one from the set; common when submitting multiple Offers from a single Generating Facility).

In order to have a complete and conforming Offer, an Offeror must complete and submit the Offer form on the BioRAM RFO Website.

4.03 Offer Instructions.

(a) Seller must input information and upload all of the documents described in this Section for each Offer on the SCE BioRAM RFO Website.

(b) The BioRAM RFO Website utilizes a web-based information-input system where all required information and documents are submitted to SCE by filling out on-line forms and uploading documents. When filling out the on-line Offer Form, the Website automatically checks portions of the information inputted by Seller. The Offer Form cannot be saved and uploaded unless the Offer Form is complete. Drop-down menus and automatic re-direction to appropriate forms are incorporated to guide the Seller through the process.

Input sections for project-specific information are provided. Further, separate input sections for Offers associated with that specific project are provided. Sellers may use these forms to input multiple, distinct Offers associated with a specific project.

The Offer Form has “check the box” attestations that Seller must acknowledge. If Seller is unwilling to make the required attestations by checking the box, Seller cannot participate in the BioRAM RFO.

(c) Seller’s Offer(s) must be complete in all respects and uploaded using the BioRAM RFO Website.

**Important:** Seller is responsible for the accuracy of all information delivered to SCE through the BioRAM RFO Website. SCE will not alter, update, or change any information submitted to the BioRAM RFO Website. Seller risks disqualification if delivered information is incorrect or is in conflict with uploaded documents. Seller is advised to use care when assembling and delivering the required information.

(d) Offers that are incomplete in any way or are delivered to SCE by any means other than uploaded through the BioRAM RFO Website will be rejected. Printed copies of Offers, as well as electronic copies via CD, DVD, or flash drive, will not be accepted.
(e) The Offer Form along with the completed and uploaded documents set forth below make up the “Offer e-Binder.” Offer e-Binders must be completed and uploaded by the Offer Due Date set forth in this document. The date and time set for submission of the Offer e-Binders will be strictly enforced. Late submissions will be rejected.

(f) Along with the Offer Form, Offeror must complete and upload to the BioRAM RFO Website all of the following documents:  

(i) A fully executed Officer’s Certificate – this document, signed by an officer of either the sponsor or project company, signifies Offeror’s agreement to certain conditions including, without limitation: 1) Offeror’s attestation that Offeror has reviewed the relevant documents and is providing the Offer in good faith; 2) Offeror’s attestation that Offeror has site control; and 3) Offeror’s attestation that Offeror will not engage in collusion or other unlawful or unfair business practices in connection with the BioRAM RFO.

- THIS DOCUMENT MUST BE SIGNED AND UPLOADED WITHOUT MODIFICATION.
- ONE OFFICER’S CERTIFICATE MUST BE UPLOADED FOR EACH PROJECT.

(ii) A fully completed and executed Evergreen Non-Disclosure Agreement (“NDA”) (this must be uploaded as a locked MS Word document);

- THIS DOCUMENT MUST BE SIGNED AND UPLOADED WITHOUT MODIFICATION.
- THE EVERGREEN NDA IS INTENDED TO COVER ALL PROJECTS SUBMITTED BY SELLER. ONLY ONE SIGNED EVERGREEN NDA SHOULD BE UPLOADED BY SELLER.

(iii) A fully completed and executed Team Development Experience Letter (this must be uploaded as a locked MS Word document). Please ensure or note:

- All fields marked for completion must be filled in.

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12 Except for the interconnection documents, the environmental review documents, and the project boundary documents, forms for all of these documents are posted on the BioRAM RFO Website.
• The information must match the Offer submitted and posted on the BioRAM RFO Website.

• No other modifications to this letter will be accepted.

• Must be signed by an individual duly authorized to bind Seller;

(iv) A fully completed **Project Viability Calculator** (This must be uploaded for each project as a password-protected MS Excel file);

(v) A fully completed **Generation Profile** (This must be uploaded for each project as a password-protected MS Excel file);

(vi) For each project, a copy of the letter from the lead land use permitting agency documenting that the land use permit application for the project has been “deemed complete”\(^\text{13}\) to begin the permitting review process ("**Environmental Review Letter**").  *{SCE Note: This requirement applies if (1) the California Environmental Quality Act or the National Environmental Policy Act applies to the ERR Generating Facility and (2) a lead agency has been designated under the applicable law.}*

**Important:** SCE will not accept the Evergreen NDA or the Officer’s Certificate if it has been changed to a different format or otherwise altered in any unauthorized way. Seller is required to fill out the locked MS Word Template only in the spaces provided and upload the resulting locked MS Word document. Please sign and then scan and return ONLY the signature pages of each document.

(vii) Copies of the **Generating Facility’s interconnection studies** and/or interconnection agreement. Reminder – Seller must have an active Phase II interconnection study or documentation demonstrating that the project has passed Fast Track screens.

(viii) Consent for Release of Interconnection Related Information, if the project interconnects to SCE.

(ix) A completed Geographic Information System file of the project boundaries and associated gen-tie ("**Project Boundary File**").

For all interconnection and environmental review documents described above, SCE will accept documents uploaded to the BioRAM RFO Website in WORD or the PDF file format. Whenever possible, please upload these documents

\(^{13}\) See Note 9.
as searchable PDF files so that SCE may locate particular words or phrases within the respective files.

If Seller is unresponsive to SCE’s requests for documentation, then the Offers from Seller may be disqualified from further consideration.

4.04 The BioRAM PPA. 14

(a) For the delivery of Bundled Energy Product and Firmed and Shaped Product, SCE’s BioRAM PPA is structured under the assumption that:

(i) Seller’s Offer is based upon the green-field development of a new ERR Generating Facility,

(ii) The ERR Generating Facility’s first point of interconnection will be with the CAISO, and

(iii) SCE will be the Scheduling Coordinator.

SCE’s BioRAM PPA does NOT take into account substitute energy or firmed and shaped energy from Firmed and Shaped Products. SCE may serve as Scheduling Coordinator for any existing or proposed In-State ERR-HHZ Generating Facility that is eligible to participate in this BioRAM RFO. Seller must indicate in its Offer whether Seller wishes SCE to serve as the Scheduling Coordinator. SCE DOES NOT SERVE AS SCHEDULING COORDINATOR FOR OUT-OF-STATE PROJECTS.

(b) The BioRAM PPA reflects SCE’s Pro Forma Renewable Power Purchase Agreement (the “Pro Forma Renewable PPA”) as amended by the Rider and Amendment to the Pro Forma Renewable Power Purchase Agreement (the “Rider”). Each the Pro Forma Renewable PPA and the Rider can be found on the BioRAM RFO Website. To the extent that an Offer is selected for SCE’s Shortlist and Seller accepts a Final Agreement with SCE, SCE will create a tailored, project specific BioRAM PPA which shall reflect the Pro Forma Renewable PPA with all incorporated amendments from the Rider.

(c) Documents necessary to complete the BioRAM PPA:

(i) Exhibit B:

a. Description and drawings of the Generating Facility’s equipment, systems, control systems and features (see specifications in BioRAM PPA Exhibit B)

14 Attached as Associated Documents A and B.
b. Site plan drawing showing the general arrangement of the Generating Facility

c. Single-line diagram(s) showing electrical arrangement of generating equipment, unit/service transformers, interconnection transformer(s), metering, breakers, and disconnects (as applicable)

(ii) Legal description of the Site, including APNs and a Site map Exhibit C – Notice List.

(iii) Exhibit G – Seller’s Milestone Schedule and Material Permits.

**IMPORTANT:** Attachment A to these BioRAM RFO Instructions contains forms and guidelines for documents necessary for completing the BioRAM PPA.

4.05 **Independent Evaluator.**

SCE has engaged an Independent Evaluator (“IE”) to evaluate and report on the solicitation, evaluation, selection, and negotiation process for this BioRAM RFO.

The Independent Evaluator will have full access to the BioRAM RFO Website and all the Offer e-Binders and correspondence uploaded by Sellers.

The Independent Evaluator will periodically make presentations to SCE, the CPUC and the PRG in order to ensure that the BioRAM RFO process remains open, fair and transparent.

4.06 **Submission of Offers – Resource Adequacy.**

Offerors have the option to bid a Generating Facility into the BioRAM RFO based on energy-only (“EO”) or Full Capacity Deliverability Status (“FCDS”) interconnection. If bidding a Generating Facility as FCDS, the Offeror must enter in the Offer form the date the Generating Facility will achieve FCDS (the “RA Guarantee Date”), which can be a date after Commercial Operation. Thus, each Offer must indicate whether it is based on an FCDS or EO interconnection, and, if interconnecting pursuant to FCDS the RA Guarantee Date. Subject to the requirements described in these BioRAM RFO Instructions, an Offeror can submit multiple Offers for the same Generating Facility, including separate, mutually exclusive Offers for an EO interconnection and an FCDS interconnection.

An EO interconnection request will identify the interconnection facilities and upgrades necessary to reliably interconnect the project, including but not
limited to reliability network upgrades (“RNU”). An FCDS interconnection request will identify the interconnection facilities and upgrades necessary to reliably interconnect the project and deliver the output of the project to the aggregate of load, including but not limited to RNU and deliverability network upgrades (“DNU”).

The Generating Facility’s interconnection study or GIA must indicate that the project will obtain FCDS by the RA Guarantee Date submitted by the Offeror. For example, if the Generating Facility’s interconnection study states that it will obtain FCDS within 60 to 84 months, the earliest date that an Offeror may designate as the RA Guarantee Date in an Offer based on FCDS is 60 months after the expected execution date of a GIA. Using the example cited, the Offeror can submit any date as the RA Guarantee Date so long as such date is more than 60 months (including a date beyond 84 months) after the expected GIA execution date. In the event an Offeror submits a date earlier than the earliest date indicated by its interconnection study or GIA, then the RA Guarantee Date in the BioRAM PPA and the evaluation will reflect the earliest date the project could obtain FCDS based on the Generating Facility’s interconnection study or GIA.

As described below, those Offers based on FCDS will receive RA benefits in the evaluation. RA benefits will only be considered for periods after the RA Guarantee Date. Any resulting BioRAM PPA will require the Seller to take all commercially reasonable efforts to expeditiously obtain FCDS. In the event that the project fails to meet its RA obligations pursuant to its PPA, including failures due to a delay in achieving FCDS, the Seller will be subject to liquidated damages as provided for in the BioRAM PPA.

Conversely, EO Offers will not receive any RA benefit in the evaluation. The BioRAM PPA, however, will not include requirements to obtain FCDS.

4.07 Evaluation and Screening of Offers.

SCE will screen Offers on a “pass-fail” basis against the eligibility criteria. In order to be eligible to be considered for selection (“conforming Offer”), the Offer must pass each of the following criteria:

- Generating Facility is an ERR-HHZ, not less than 0.5 MW.
- Forecasted Commercial Operation Date and interconnection date within 36 months of the anticipated date of CPUC approval of a BioRAM PPA.
• Project has received a complete Phase II Interconnection Study, has passed Fast Track screens or is an existing or repowered facility that does not require a restudy in order to interconnect.\textsuperscript{15, 16}

• The date for interconnection indicated in the Generating Facility’s interconnection study or interconnection agreement, together with the Offeror’s Milestone Schedule, is within 36 months of the anticipated date for final and non-appealable CPUC approval of a BioRAM PPA.
  
  o For example, if the Generating Facility’s interconnection study states that it will be able to interconnect within 12 to 36 months, SCE will assume the earlier end of the range indicated in the interconnection study (12 months in this example) when making its determination under this criterion.

• Located within the CAISO control area or can be dynamically scheduled into the CAISO.

• Delivery Point is at the first point of interconnection to the CAISO controlled grid.

• The project is based on commercialized technology (i.e., is neither experimental, research, demonstration, nor development).

• SCE affiliation is disclosed, if applicable.

• Offeror agrees (which agreement is indicated by the submission of an Offer) to non-disclosure terms and obligations in the BioRAM RFO Non-Disclosure Agreement (“NDA”) incorporated herein by reference.

• Offeror has provided information requested by SCE for the purpose of evaluating the Offer, including all other documentation specified in Section 3.04, in conformance with the requirements of Attachment A.

4.08 Ranking and Selection of Conforming Offers.

SCE evaluates and ranks Offers based on least-cost, best-fit (“LCBF”) principles that comply with criteria set forth by the CPUC in D.03-06-071 and D.04-07-029 (“LCBF

\textsuperscript{15} In order to be considered as an FCDS Offer, project must either have an active Phase II Interconnection Study reflecting that the project was studied for FCDS or a GIA that reflecting that the project already has FCDS.

\textsuperscript{16} The interconnection studies contain information about the Generating Facility relevant in the course of evaluation and contracting. Differences in project descriptions, site location, interconnection and delivery points, equipment specifications, \textit{etc.}, from those contained in the Offer will need to be reconciled for the Offer to remain eligible.
Decisions”) and other CPUC decisions on the investor-owned utilities’ RPS Procurement Plans.

The LCBF analysis evaluates both quantitative and qualitative aspects of each Offer to estimate its value to SCE’s customers and its relative value in comparison to other Offers.

SCE performs a quantitative assessment of each Offer and ranks the Offers based on benefit and cost relationships. Specifically, the total benefits and total costs are used to calculate the net levelized cost or “Net Market Value” for each complete and conforming Offer. Benefits are comprised of separate capacity, energy, and congestion components, while costs include the contract payments, debt equivalents, integration cost, congestion cost, and transmission cost. SCE discounts the monthly benefit and cost streams to a common base date. SCE also normalizes the net cost or benefit data by MWh generation. The result of the quantitative analysis is a merit-order ranking of all complete and conforming Offers’ Net Market Values.

Following the quantitative analysis, SCE conducts an assessment of the most competitive Offers’ qualitative attributes. SCE utilizes the Project Viability Calculator to assess certain factors including the company/development team experience, project technology, project financing and development milestones. Additional attributes such as nominal contract payments, contribution to other SCE program goals, transmission area, prior experience with project developers/sellers, seller concentration, and resource diversity are also considered in the qualitative analysis. These qualitative attributes are then considered to either eliminate or add Offers to the Short-List, or to determine tie-breakers, if any.

In the evaluation, SCE will favor projects that exceed the minimum requirements for HHZ fuel use. SCE will also favor earlier online dates in the Offer evaluation process, in recognition of the state of emergency. In addition, SCE will favor projects with shorter haul distances for HHZ Fuel, and projects that deliver into CAISO. As a result, SCE reserves the right to select an Offer out of rank order.

Any non-competitive Offers or evidence of market manipulation will result in Offers being removed from consideration.

If necessary, SCE may request additional information from Offerors prior to selection.

4.09 Preparation and Execution of Final BioRAM PPAs.

A selected Offeror will receive from SCE an executable BioRAM PPA for each selected Offer filled in with the Project and Offeror information. Offerors should carefully review the populated BioRAM PPA for any errors. In the notification of selected status, SCE will specify the last day for selected Offerors to submit the
executed signature page(s) of the BioRAM PPA(s), or to notify SCE if electing not to execute the BioRAM PPA(s).

At the time of initial selection, SCE may also notify certain waitlisted Offerors of their status. Such Offerors may be offered PPAs in the event that selected Offerors decline to execute a BioRAM PPA with SCE.

For each BioRAM PPA that an Offeror chooses to execute with SCE, Offeror must return two (or more, at Offeror’s discretion) executed originals of the BioRAM PPA signature pages to SCE by overnight delivery to the following:

Energy Contracts  
Southern California Edison  
2244 Walnut Grove  
Rosemead, CA 91770  
Attn: George Wiltsee  
626-302-4945

It is anticipated that SCE will then execute final BioRAM PPAs and return one (or more, at Offeror’s discretion) fully executed Final Agreement to Offeror.

4.10 Submission of the Final Agreements to the CPUC.

(a) SCE will submit a Tier 2 advice letter to the CPUC seeking approval of the Final Agreements entered into pursuant to the BioRAM RFO.

(b) SCE’s obligations to purchase Product under a Final Agreement will only become effective upon CPUC Approval.

(c) In the event a transaction occurs between SCE and any of its Affiliates, such Final Agreement may also require FERC approval. In such case, SCE’s obligations to purchase power under such Final Agreement will only become effective upon approval by both the CPUC and FERC.

4.11 Support for Regulatory Purposes.

SCE may request that Seller provide updates of any information requested in this BioRAM RFO for purposes of filing applications or advice letters with the CPUC for approval of any Final Agreement.

*** End of ARTICLE FOUR ***
ARTICLE FIVE. APPLICANT’S ACKNOWLEDGEMENT; WAIVERS AND RESERVATION OF RIGHTS; REPRESENTATIONS, WARRANTIES AND COVENANTS.

By submitting an Offer to SCE pursuant to the BioRAM RFO, the Offeror acknowledges the following:

5.01 SCE’s Rights.

SCE reserves the right to modify any dates and terms specified in these BioRAM RFO Instructions, in its sole discretion and at any time without notice and without assigning any reasons and without liability of Edison International, SCE or any of their subsidiaries, affiliates or representatives. SCE also reserves the right to select zero Offers as an outcome of this BioRAM RFO.17

5.02 SCE’s Acceptance of Offers.

SCE will not be deemed to have accepted any Offer, and will not be bound by any term thereof, unless and until authorized representatives of SCE and Seller execute a Final Agreement and, if appropriate, related collateral and other required agreements.

5.03 Expenses in Event of Termination by SCE.

In the event that the BioRAM RFO is terminated by SCE, each participant will be responsible for expenses it incurs as a result of its participation in the BioRAM RFO.

5.04 Waived Claims.

By submitting an Offer, Offeror knowingly, voluntarily, and completely waives any rights under statute, regulation, state or federal constitution or common law to assert any claim, complaint or other challenge in any regulatory, judicial or other forum, including without limitation, the CPUC (except as expressly provided below), the FERC, the Superior Court of the State of California (“State Court”) or any United States District Court (“Federal Court”) concerning or related in any way to this BioRAM RFO or these BioRAM RFO Instructions, including all documents incorporated by reference therein and exhibits, attachments, and appendices attached thereto (“Waived Claims”). Offeror further expressly acknowledges and consents that if it asserts any Waived Claim at the CPUC, FERC, State Court or Federal Court, or otherwise in any forum, to the extent that Offeror’s Offer has not already been disqualified, SCE is entitled to automatically disqualify this Offer from further

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17 The CPUC has provided SCE discretion to reject Offers in instances of market manipulation or non-competitive pricing compared to other renewable procurement opportunities.

SCE BIORAM RFO Instructions

Article FIVE 

Applicant’s Acknowledgement; Waivers and Reservation of Rights; Representations, Warranties and Covenants 

-23-
consideration in the BioRAM RFO or otherwise, and further, SCE may elect to
terminate the BioRAM RFO.

By submitting an Offer, Offeror further agrees that the sole forum in which Offeror
may assert any challenge with respect to the conduct or results of the BioRAM RFO
is at the CPUC. Offeror further agrees that: (1) the sole means of challenging the
conduct or results of the BioRAM RFO is a complaint filed under Article 3,
Complaints and Commission Investigations, of Title 20, Public Utilities and Energy,
of the California Code of Regulations, (2) the sole basis for any such protest shall be
that SCE allegedly failed in a material respect to conduct the BioRAM RFO in
accordance with these BioRAM RFO Instructions; and (3) the exclusive remedy
available to Offeror in the case of such a protest shall be an order of the CPUC that
SCE again conduct any portion of the BioRAM RFO that the CPUC determines was
not previously conducted in accordance with these BioRAM RFO Instructions
(including all documents incorporated by reference therein and exhibits, attachments,
and appendices attached thereto). Offeror expressly waives any and all other
remedies, including, without limitation, compensatory and/or exemplary damages,
restitution, injunctive relief, interest, costs and/or attorneys’ fees. Unless SCE elects
to do otherwise in its sole discretion, during the pendency of such a protest the
BioRAM RFO and any related regulatory proceedings related to the BioRAM RFO
will continue as if the protest had not been filed, unless the CPUC issues an order
suspending the BioRAM RFO or SCE has elected to terminate the BioRAM RFO.

Offeror further acknowledges and agrees that if Offeror asserts any Waived Claim,
SCE shall be entitled to seek immediate dismissal of Offeror’s claim, complaint or
other challenge, with prejudice, by filing a motion to dismiss (or similar procedural
device) supported by the language in this Section 4.04 and that Offeror will not
challenge or oppose such a request for dismissal. Offeror further acknowledges and
agrees that if it asserts any Waived Claim, and if SCE successfully has that claim
dismissed or transferred to the CPUC, Offeror shall pay SCE’s full costs and
expenses incurred in seeking such dismissal or transfer, including reasonable
attorneys’ fees.

5.05 Offeror’s Representations, Warranties and Covenants.

(a) By submitting an Offer, Offeror agrees to be bound by the conditions of the
BioRAM RFO, and makes the following representations, warranties, and
covenants to SCE, which representations, warranties, and covenants shall be
deemed to be incorporated in their entireties into each of Offeror’s Offers:

(i) Offeror has read, understands and agrees to be bound by all terms,
conditions and other provisions of these BioRAM RFO Instructions;
(ii) Offeror has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the BioRAM RFO and these BioRAM RFO Instructions, including the forms listed in Section 4.03;

(iii) Offeror warrants herein that the Product Price includes Offeror’s cost of providing the Development Security in accordance with Section 3.06 of the BioRAM PPA;

(iv) Offeror warrants herein that the Product Price includes Offeror’s cost of providing the Performance Assurance in accordance with Section 1.06 of the BioRAM PPA;

(v) Offeror has obtained all necessary authorizations, approvals and waivers, if any, required by Offeror to submit its Offer pursuant to the terms of these BioRAM RFO Instructions and to enter into a Final Agreement with SCE;

(vi) Offeror’s Offer complies with all Applicable Laws;

(vii) Offeror has not engaged, and covenants that it will not engage, in any communications with any other actual or potential Offeror in the BioRAM RFO concerning this solicitation, price terms in Offeror’s Offer, or related matters and has not engaged in collusion or other unlawful or unfair business practices in connection with the BioRAM RFO;

(viii) Any Offer submitted by Offeror is subject only to SCE’s acceptance, in SCE’s sole discretion; and

(ix) The information submitted by Offeror to SCE in connection with the BioRAM RFO and all information submitted as part of any Offer is true and accurate as of the date of Offeror’s submission. Offeror also covenants that it will promptly update such information upon any material change thereto.

(b) By submitting an Offer, Offeror acknowledges and agrees that:

(i) SCE may rely on any or all of Offeror’s representations, warranties, and covenants in the BioRAM RFO (including any Offer submitted by Offeror);

(ii) SCE may disclose information as set forth in the NDA; and

(iii) In SCE’s evaluation of Offers pursuant to the BioRAM RFO, SCE has the right to disqualify an Offeror that is unwilling or unable to meet
any other requirement of the BioRAM RFO, as determined by SCE in its sole discretion.

(c) BY SUBMITTING AN OFFER, OFFEROR HEREBY ACKNOWLEDGES AND AGREES THAT ANY BREACH BY OFFEROR OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE BIORAM RFO INSTRUCTIONS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH OFFEROR, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO SCE UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY.

*** End of ARTICLE FIVE ***
ARTICLE SIX. CONFIDENTIALITY, CONDUCT, AND SAFETY.

6.01 Confidentiality.

Sellers are required to enter into the Evergreen Non-Disclosure Agreement with SCE in the form posted on the BioRAM RFO Website.

6.02 Conduct.

It is expected that the Parties will act in good faith in their dealings with each other with respect to this BioRAM RFO. Seller may not engage in Communications (as defined in Article Seven) with any other Seller in the BioRAM RFO concerning the price terms contained in Seller’s Offer or related matters.

6.03 Safety.

Seller must develop a written plan for the safe construction and operation of the ERR-HHZ Generating Facility as set forth in the BioRAM PPA.

*** End of ARTICLE SIX ***
ARTICLE SEVEN. COMMUNICATIONS.

For purposes of this BioRAM RFO, “Communications” means the exchange of any material information by electronic, written, oral or other means other than as expressly provided for herein.

All Communications concerning this BioRAM RFO, including Communications concerning the preparation of Offers or other submissions to SCE related to the BioRAM RFO, should be submitted to SCE via the BioRAM RFO Website.

SCE may, in its sole discretion, decline to respond to any correspondence or other inquiry without liability or responsibility.

*** End of ARTICLE SEVEN ***
ARTICLE EIGHT. SCE RIGHTS AND DOCUMENT CONFLICTS.

8.01 SCE’s Rights.

SCE may, at its sole discretion, enter into Final Agreements with one or more entities submitting Offers that will provide the best value to SCE’s customers considering a variety of factors as discussed below.

SCE reserves the right to reject any Offer at any time on the grounds that it does not conform to the terms and conditions of these BioRAM RFO Instructions.

SCE also retains the right, in its sole judgment, to:

(a) Subject to D.14-11-042 and Resolution E-4770, modify these BioRAM RFO Instructions, and any of the Associated Documents, as it deems necessary;

(b) Condition SCE’s acceptance of any selected Offer on a Seller’s agreement to modifications thereto including any modifications that may be recommended by SCE’s PRG; and

(c) Determine what is or is not “reasonable,” as this term is used within these BioRAM RFO Instructions.

8.02 Document Conflicts.

In the event of any conflict between terms contained in these BioRAM RFO Instructions or any of the Associated Documents, the conflict will be resolved by the following priority of documents:

(a) The Rider and Amendment;
(b) The Pro Forma Renewable PPA;
(c) The CAISO Tariff; and
(d) The BioRAM RFO Instructions;

Notwithstanding the foregoing, if a Final Agreement is executed between SCE and Seller, it will have precedence over the documents listed above.
Use this checklist to help you construct a complete Exhibit B for your offer submission. Remember to label everything and always err on the side of inclusiveness. SCE looks at these documents very closely and has a lot of experience doing so. Projects that don’t meet these criteria will be deemed deficient.

### General
1. Remove any and all confidentiality statements from each of the drawings. Confidentiality is covered by the PPA and NDA

### Consistency
1. The name of the Project on all documents must match the PPA
2. The Equipment specifications must be consistent among all documents
3. The Project capacity and other details outlined in this Exhibit B must match the Interconnection Study or GIA
4. Any discrepancies must be explained in an accompanying letter (if applicable)

### Generating Facility Description
1. All Offerors must use the template provided

### Site Plan Drawing
1. The site layout must include major equipment (e.g., boilers, environmental control devices, turbines, transformers, etc.)
2. Label the Project substation/interconnection point
3. Label all streets, right of ways, crossings, ingress, egress
4. Identify adjacent projects (if applicable)

### Single Line Drawing
1. Show interconnection point (i.e., utility substation name, equipment type and number, circuit name, etc. – as identified in the interconnection study or agreement)
2. Show metering (e.g., CAISO, SCE, etc.)
3. Ensure that all elements of the Project are shown to be behind the meter (i.e., on the Project side of the meter) – including provisions for station use
4. Show ratings for all transformers (e.g., MVA, High & Low voltage, Impedance, etc.)
5. Show station service power auxiliary transformer
6. Show breakers, disconnects, relays, etc.

### Process Flow Diagram
1. Must show all major equipment, fuel inputs, steam flows, electric flows, etc.

### Legal Description of the Site
1. List of all Assessor’s Parcel Numbers (the “APNs”) for land parcels that are part of the Site
2. Matches site plan drawing or site map

### Site Map
1. Illustrate the location of Project in the county (see example)
Generating Facility Description
[For Biofuel]

Name and Address of Generating Facility:

Latitude and Longitude: [approximate centroid]

Technology: [specify stoker grate, circulating fluidized bed, etc.] Boiler

Ultimate Heat Sink: [specify Evaporative Cooling Tower, Dry Cooling Tower, or River/Lake]

Fuel Type and Source:

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<th>Rating</th>
<th>Quantity</th>
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<tr>
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<td>[optional]</td>
<td>[include both kVA rating and high/low voltage rating]</td>
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[Unless stated otherwise, all fields in the table are required.]

Description of Host Facility: [if applicable]

Description of Shared Facilities: [if applicable]
ATTACHMENT B
Time of Delivery Periods
and
Product Payment Allocation Factors

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When any Holiday falls on a Sunday, the following Monday will be recognized as a Holiday. No change will be made for Holidays falling on Saturday.

*** End of ATTACHMENT B ***