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SCE LONG TERM POWER PURCHASE CONTRACT  
BETWEEN  
SOUTHERN CALIFORNIA EDISON COMPANY  
AND  
ENERGY CAPITAL CORPORATION

CLD NO. 393386

REFER TO THIS CONTRACT  
AS: LTV MARKETING GROUP  
(CORAM 3)

QF ID NO. 6089

Document No. 2346H

ENERGY CAPITAL CORPORATION

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ENERGY CAPITAL CORPORATION

1. PROJECT SUMMARY

1 This Contract is entered into between Southern California  
2 Edison Company ("Edison") and Energy Capital Corporation,  
3 a Virginia corporation, acting in its own behalf and in  
4 behalf of other owners, if any, as Project Manager,  
5 collectively referred to as ("Seller").  
6

7 Seller is willing to construct, own, and operate a  
8 Qualifying Facility and sell electric power to Edison and  
9 Edison is willing to purchase electric power delivered by  
10 Seller to Edison at the Point of Interconnection pursuant  
11 to the terms and conditions set forth as follows:

12 1.1 All Notices shall be sent to Seller at the following

13 address: Energy Capital Corporation

14 4201 Birch Street, Best Building

15 Newport Beach, CA 92660

16 Attn: F. Anthony Boom

17 1.2 Seller's Generating Facility:

18 a. Nameplate Rating: 14,000 kW.

19 b. Location: The north one-half of Section 12,

20 Township 11 North, Range 14 West, SBBM

21 \_\_\_\_\_ Cogeneration Facility

22  X  Small Power Production Facility

23 d. Delivery of power to Edison at a nominal

24 66 kV.

25 e. Seller shall commence construction of the

26 Generating Facility by August 1, 1985.

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- 1.3 Edison Customer Service District:
  - Antelope Valley District
  - 42060 10th Street West
  - Lancaster, CA 93534
- 1.4 Location of Edison Operating Switching Center:
  - Vincent Substation
  - 33301 Angeles Forest Highway
  - Palmdale, CA 93350
- 1.5 Contract Capacity: 0 kW
  - 1.5.1 Estimated as-available capacity: 14,000 kW.
- 1.6 Expected annual production: 36,485,400 kWh.
- 1.7 Expected Firm Operation for first generating unit: September 1, 1985.
- 1.8 Contract Term: 30 years (15, 20, 25, or 30 years).
- 1.9 Operating Options pursuant to Section 5: (Check One)
  - N/A Operating Option I. Entire Generator output dedicated to Edison. No electric service or standby service required.
  - X Operating Option II. Entire Generator output dedicated to Edison with separate electric service required.
    - a. Electric service Tariff Schedule No. GS-1 pursuant to Section 10.2.
    - b. Contract demand: 0 kW.

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1        N/A Operating Option III. Excess generator output  
2        dedicated to Edison with Seller serving own  
3        load.

4        a. Electric service Tariff Schedule No. \_\_\_\_\_  
5        pursuant to Section 10.2.

6        b. Contract demand \_\_\_\_\_ kW.

7        c. Standby Demand \_\_\_\_\_ kW pursuant to  
8        Section 10.2.

9        d. Maximum electrical requirements  
10       expected \_\_\_\_\_ kW.

11       e. Standby electric service Tariff Schedule  
12       No. \_\_\_\_\_ pursuant to Section 10.2.

13       f. Minimum monthly charge for standby  
14       service \_\_\_\_\_.

15       1.10 Interconnection Facilities Agreement pursuant to  
16       Section 6 shall be: (Check One)

17       \_\_\_\_\_ - Added Facilities Basis

18         X   - Capital Contribution Basis

19       \_\_\_\_\_ - Seller Owned and Operated Basis (Appendix A)

20       1.11 The Capacity Payment Option selected by Seller  
21       pursuant to Section 9.1 shall be: (Check One)

22         X   Option A - As-available capacity based upon:

23       \_\_\_\_\_ Standard Offer No. 1 Capacity Payment  
24       Schedule, or

25       //

26       //

(1c)

ENERGY CAPITAL CORPORATION

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X Forecast of Annual As-Available Capacity  
Payment Schedule. The as-available  
capacity price (first year):  
\$81 kW-yr. (Appendix B)

N/A Option B - Firm Capacity (check one)

N/A Standard Offer No. 2 Capacity Payment  
Schedule in effect at time of Contract  
execution.

N/A Standard Offer No. 2 Capacity Payment  
Schedule in effect at time of Firm  
Operation of first generating unit.

Contract Capacity Price: \$ N/A /kW-yr.  
(Firm Capacity).

1.12 The Energy Payment Option selected by Seller  
pursuant to Section 9.2 shall be: (Check One)

X Option 1 - Forecast of Annual Marginal Cost of  
Energy in effect at date of execution of this  
Contract. (Appendix C)

N/A Option 2 - Levelized Forecast of Marginal Cost  
of Energy in effect at date of execution of  
this Contract. Levelized Forecast for expected  
date of Firm Operation is N/A.

If Seller's Generating Facility is an  
oil/natural gas fueled cogenerator, Seller may  
not select Option 2.

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1 For the energy payment refund pursuant to  
2 Section 9.5 under Option 2, Edison's  
3 Incremental Cost of Capital is N/A.

4 Seller may change once between Options 1 and 2,  
5 provided Seller delivers written notice of such  
6 change at least 90 days prior to the date of  
7 Firm Operation.

8 For Option 1 or 2, Seller elects to receive the  
9 following percentages in 20% increments, the  
10 total of which shall equal 100%:

11 100 Percent of Forecast of Marginal Cost of  
12 Energy (Annual or ~~Levelized~~), not to  
13 exceed 20% of the annual forecast for  
14 oil/natural gas fueled cogenerators, and  
15 0 Percent of Edison's published avoided cost  
16 of energy based on Edison's full avoided  
17 operating costs as updated periodically  
18 and accepted by the Commission.

19 1.13 Metering Location (Check one)

20 Seller elects metering location pursuant to  
21 Section 8 as follows:

22 X Edison's side of the Interconnection Facilities  
23 N/A Seller's side of the Interconnection  
24 Facilities. Loss compensation factor is equal  
25 to 0, pursuant to Section 8.3.

26 //

(1e)

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GENERAL TERMS & CONDITIONS

2. DEFINITIONS

When used with initial capitalizations, whether in the singular or in the plural, the following terms shall have the following meanings:

2.1 Adjusted Capacity Price: The \$/kW-yr capacity purchase price based on the Capacity Payment Schedule in effect at time of Contract execution for the time period beginning on the date of Firm Operation for the first generating unit and ending on the date of termination or reduction of Contract Capacity under Capacity Payment Option B.

2.2 Appendix A: Interconnection Facilities Agreement -- Added Facilities Basis.

2.3 Appendix B: Forecast of Annual As Available Capacity Payment Schedule.

2.4 Appendix C: Levelized Forecast of Marginal Cost of Energy.

2.5 Appendix D: Edison Rule No. 21 - Cogeneration and Small Power Production Interconnection Standards.

2.6 Appendix E: Edison Rule No. 2 - Description of Service.

2.7 Capacity Payment Schedule(s): Published capacity payment schedule(s) as authorized by the Commission for as-available or firm capacity.

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1 2.8 Commission: The Public Utilities Commission of the  
2 State of California.

3 2.9 Contract: This document and Appendices, as amended  
4 from time to time.

5 2.10 Contract Capacity: The electric power producing  
6 capability of the Generating Facility which is  
7 committed to Edison.

8 2.11 Contract Capacity Price: The capacity purchase  
9 price from the Capacity Payment Schedule approved by  
10 the Commission for Capacity Payment Option B.

11 2.12 Contract Term: Period in years commencing with date  
12 of Firm Operation for the first generating unit(s)  
13 during which Edison shall purchase electric power  
14 from Seller.

15 2.13 Current Capacity Price: The \$/kW-yr capacity price  
16 provided in the Capacity Payment Schedule determined  
17 by the year of termination or reduction of Contract  
18 Capacity and the number of years from such  
19 termination or reduction to the expiration of the  
20 Contract Term for Capacity Payment Option B.

21 2.14 Edison: The Southern California Edison Company.

22 2.15 Edison Electric System Integrity: The state of  
23 operation of Edison's electric system in a manner  
24 which is deemed to minimize the risk of injury to  
25 persons and/or property and enables Edison to  
26 //

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1 provide adequate and reliable electric service to  
2 its customers.

3 2.16 Emergency: A condition or situation which in  
4 Edison's sole judgment affects Edison Electric  
5 System Integrity.

6 2.17 Energy: Kilowatthours generated by the Generating  
7 Facility which are purchased by Edison at the Point  
8 of Interconnection.

9 2.18 Firm Operation: The date agreed on by the Parties  
10 on which each generating unit(s) of the Generating  
11 Facility is determined to be a reliable source of  
12 generation and on which such unit can be reasonably  
13 expected to operate continuously at its effective  
14 rating (expressed in kW).

15 2.19 First Period: The period of the Contract Term  
16 specified in Section 3.1.

17 2.20 Forced Outage: Any outage other than a scheduled  
18 outage of the Generating Facility that fully or  
19 partially curtails its electrical output.

20 2.21 Generating Facility: All of Seller's generators,  
21 together with all protective and other associated  
22 equipment and improvements, necessary to produce  
23 electrical power at Seller's Facility excluding  
24 associated land, land rights, and interests in land.

25 //

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1       2.22 Generator: The generator(s) and associated prime  
2           mover(s), which are a part of the Generating  
3           Facility.

4       2.23 Interconnection Facilities: Those protection,  
5           metering, electric line(s), and other facilities  
6           required in Edison's sole judgment to permit an  
7           electrical interface between Edison's system and the  
8           Generating Facility in accordance with Edison's  
9           Tariff Rule No. 21 titled Cogeneration and Small  
10          Power Production Interconnection Standards filed  
11          with the Commission.

12      2.24 Interconnection Facilities Agreement: That document  
13          which is specified in Section 1.10 and is attached  
14          hereto.

15      2.25 KVAR: Reactive kilovolt-ampere, a unit of measure  
16          of reactive power.

17      2.26 Operate: To provide the engineering, purchasing,  
18          repair, supervision, training, inspection, testing,  
19          protection, operation, use, management, replacement,  
20          retirement, reconstruction, and maintenance of and  
21          for the Generating Facility in accordance with  
22          applicable California utility standards and good  
23          engineering practices.

24      2.27 Operating Representatives: Individual(s) appointed  
25          by each Party for the purpose of securing effective  
26          cooperation and interchange of information between

ENERGY CAPITAL CORPORATION

1 the Parties in connection with administration and  
2 technical matters related to this Contract.

3 2.28 Parties: Edison and Seller.

4 2.29 Party: Edison or Seller.

5 2.30 Peak Months: Those months which the Edison annual  
6 system peak demand could occur. Currently, but  
7 subject to change with notice, the peak months for  
8 the Edison system are June, July, August, and  
9 September.

10 2.31 Point of Interconnection: The point where the  
11 transfer of electrical energy between Edison and  
12 Seller takes place.

13 2.32 Project: The Generating Facility and  
14 Interconnection Facilities required to permit  
15 operation of Seller's Generator in parallel with  
16 Edison's electric system.

17 2.33 Project Manager: The entity responsible for  
18 operating and maintaining the Project on behalf of  
19 the owner(s) thereof.

20 2.34 Protective Apparatus: That equipment and apparatus  
21 installed by Seller and/or Edison pursuant to  
22 Section 4.2.

23 2.35 Qualifying Facility: Cogeneration or Small Power  
24 Production Facility which meets the criteria as  
25 defined in Title 18, Code of Federal Regulations,  
26 Section 292.201 through 292.207.

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1 2.36 Second Period: The period of the Contract Term  
2 specified in Section 3.2.

3 2.37 Seller: The Party identified in Section 1.0.

4 2.38 Seller's Facility: The premises and equipment of  
5 Seller located as specified in Section 1.2.

6 2.39 Small Power Production Facility: The facilities and  
7 equipment which use biomass, waste, or Renewable  
8 Resources, including wind, solar, geothermal, and  
9 water, to produce electrical energy as defined in  
10 Title 18, Code of Federal Regulations,  
11 Section 292.201 through 292.207.

12 2.40 Standby Demand: Seller's electrical load  
13 requirement that Edison is expected to serve when  
14 Seller's Generating Facility is not available.

15 2.41 Summer Period: Defined in Edison's Tariff Schedule  
16 No. TOU-8 as now in effect or as may hereafter be  
17 authorized by the Commission.

18 2.42 Tariff Schedule No. TOU-8: Edison's time-of-use  
19 energy tariff for electric service exceeding 500 kW,  
20 as now in effect or as may hereafter be authorized  
21 by the Commission.

22 2.43 Uncontrollable Forces: Any occurrence beyond the  
23 control of a Party which causes that Party to be  
24 unable to perform its obligations hereunder and  
25 which a Party has been unable to overcome by the  
26 exercise of due diligence, including but not

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1 limited to flood, drought, earthquake, storm, fire,  
2 pestilence, lightning and other natural  
3 catastrophes, epidemic, war, riot, civil disturbance  
4 or disobedience, strike, labor dispute, action or  
5 inaction of legislative, judicial, or regulatory  
6 agencies, or other proper authority, which may  
7 conflict with the terms of this Contract, or  
8 failure, threat of failure or sabotage of facilities  
9 which have been maintained in accordance with good  
10 engineering and operating practices in California.

11 2.44 Winter Period: Defined in Edison's Tariff Schedule  
12 No. TOU-8 as now in effect or as may hereafter be  
13 authorized by the Commission.

14 3. TERM

15 This Contract shall be effective upon execution by the  
16 Parties and shall remain effective until either Party  
17 gives 90 days prior written notice of termination to the  
18 other Party, except that such notice of termination shall  
19 not be effective to terminate this Contract prior to  
20 expiration of the Contract Term specified in Section 1.8.

21 3.1 The First Period of the Contract Term shall commence  
22 upon date of Firm Operation but not later than  
23 5 years from the date of execution of this Contract.

24 a. If the Contract Term specified in Section 1.8  
25 is 15 years, the First Period of the Contract  
26 Term shall be for 5 years.

1           b. If the Contract Term specified in Section 1.8  
2           is 20, 25, or 30 years, the First Period of the  
3           Contract Term shall be for 10 years.

4           3.2 The Second Period of the Contract Term shall  
5           commence upon expiration of the First Period and  
6           shall continue for the remainder of the Contract  
7           Term.

8           4. GENERATING FACILITY

9           4.1 Ownership

10           The Generating Facility shall be owned by Seller.

11           4.1.1 If the identity of the Project Manager  
12           changes for any reason, Edison shall have  
13           the right to approve such the new Project  
14           Manager. Such approval shall be withheld  
15           only if the assets, financial condition, or  
16           operating capability of the proposed  
17           replacement Project Manager gives Edison  
18           reasonable cause to doubt such entity's  
19           ability to adequately perform the duties of  
20           the Project Manager. To facilitate such  
21           approval, Edison may request Seller to  
22           furnish any material reasonably necessary  
23           for Edison to prudently approve a change in  
24           Project Manager. Therefore, except as in  
25           conflict with law, any financing documents,  
26           partnership agreements, or management

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1 contracts which specify the Project  
2 Manager's role shall specifically provide  
3 for Edison's right of approval of any new  
4 Project Manager. Such change in Project  
5 Manager and the approval thereof by Edison  
6 shall not operate to reduce the rights and  
7 obligations of the project owners under this  
8 Agreement.

9 4.1.2 The Project Manager, shall have the  
10 authority to contract for the owners of the  
11 Project on all matters pertaining to the  
12 implementation of this Agreement. The  
13 Project Manager shall provide Edison with  
14 satisfactory evidence of its authority to  
15 act on behalf of the owners of the Project.  
16 Such evidence shall include, but not be  
17 limited to, authenticated copies of any  
18 partnership agreement(s), fictitious  
19 business name statement(s), certificate(s)  
20 of partnership, and management agreement(s).  
21 The Project Manager shall also provide  
22 Edison with authenticated copies of the  
23 Agreement(s), if any, appointing the Project  
24 Manager for purposes of this Agreement.

25 4.1.3 Edison's obligations to purchase capacity  
26 and Energy shall be contingent upon the

1 compliance by Seller with the terms and  
2 conditions of this Section 4.1.

3 **4.2 Design**

4 **4.2.1 Seller, at no cost to Edison, shall:**

- 5 a. Design the Generating Facility.  
6 b. Acquire all permits and other approvals  
7 necessary for the construction,  
8 operation, and maintenance of the  
9 Generating Facility.  
10 c. Complete all environmental impact  
11 studies necessary for the construction,  
12 operation, and maintenance of the  
13 Generating Facility.  
14 d. Furnish and install the relays, meters,  
15 power circuit breakers, synchronizer,  
16 and other control and Protective  
17 Apparatus as shall be agreed to by the  
18 Parties as being necessary for proper  
19 and safe operation of the Project in  
20 parallel with Edison's electric system.

21 **4.2.2 Edison shall have the right to:**

- 22 a. Review the design of the Generating  
23 Facility's electrical system and the  
24 Seller's Interconnection Facilities.  
25 Such review may include, but not be  
26 limited to, the Generator, governor,

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1                   excitation system, synchronizing  
2                   equipment, protective relays, and  
3                   neutral grounding.

4                   The Seller shall be notified in writing  
5                   of the outcome of the Edison review  
6                   within 30 days of the receipt of all  
7                   specifications for both the Generating  
8                   Facility and the Interconnection  
9                   Facilities. Any flaws perceived by  
10                  Edison in the design shall be described  
11                  in Edison's written notice.

- 12                  b. Request modifications to the design of  
13                  the Generating Facility's electrical  
14                  system and the Seller's Interconnection  
15                  Facilities. Such modifications shall be  
16                  required if necessary to maintain Edison  
17                  Electric System Integrity when in  
18                  parallel with the Edison electric system.

19                  4.2.3 If Seller's Generating Facility includes an  
20                  induction-type generator(s), Seller shall  
21                  provide individual power factor correction  
22                  capacitors for each such generator. Such  
23                  capacitors shall be switched on and off  
24                  simultaneously with each of the associated  
25                  induction-type generator(s) of the  
26                  Generating Facility. The KVAR rating of

1 such capacitors shall be the highest  
2 standard value which will not exceed such  
3 generators no-load KVAR requirement. Seller  
4 shall not install power factor correction in  
5 excess of that required by this Section  
6 unless agreed to in writing by the Parties.

7 4.2.4 Seller shall not locate any part of a  
8 wind-driven generating unit of the  
9 Generating Facility within a distance  
10 1.25 times the height of a wind turbine  
11 structure of an existing electric utility  
12 33 kV, 66 kV, or 115 kV transmission line  
13 right of way or within three rotor blade  
14 diameters of an existing electric utility  
15 220 kV or 500 kV transmission line right of  
16 way or any proposed transmission line right  
17 of way of which Edison is pursuing  
18 regulatory approval for construction.

19 4.3 Construction

20 Edison shall have the right to review, consult with,  
21 and make recommendations regarding Seller's  
22 construction schedule and to monitor the construction  
23 and start-up of the Project. Seller shall notify  
24 Edison, at least one year prior to Firm Operation,  
25 of changes in Seller's Construction Schedule which  
26 may affect the date of Firm Operation.

1       4.4   Operation

2           4.4.1   The Generating Facility and Seller's  
3                   Protective Apparatus shall be operated and  
4                   maintained in accordance with applicable  
5                   California utility industry standards and  
6                   good engineering practices with respect to  
7                   synchronizing, voltage and reactive power  
8                   control. Edison shall have the right to  
9                   monitor operation of the Project and may  
10                  require changes in Seller's method of  
11                  operation if such changes are necessary, in  
12                  Edison's sole judgment, to maintain Edison  
13                  Electric System Integrity.

14          4.4.2   Seller shall notify in writing Edison's  
15                  Operating Representative at least 14 days  
16                  prior to:

- 17                  (a) the intial testing of Seller's  
18                          Protective Apparatus; and  
19                  (b) the initial parallel operation of  
20                          Seller's Generators with Edison's  
21                          electrical system.

22                  Edison shall have the right to have a  
23                  representative present at each event.

24          4.4.3   Edison shall have the right to require  
25                  Seller to disconnect the Generator from the  
26                  Edison electric system or to reduce the

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1 electrical output from the Generator into  
2 the Edison electric system, whenever Edison  
3 determines, in its sole judgement, that such  
4 a disconnection is necessary to facilitate  
5 maintenance of Edison's facilities, or to  
6 maintain Edison Electric System Integrity.  
7 If Edison requires Seller to disconnect the  
8 Generator from the Edison electric system  
9 pursuant to this Section 4.4.3, Seller shall  
10 have the right to continue to serve its  
11 total electrical requirements provided  
12 Seller has elected Operating Option III.  
13 Each Party shall endeavor to correct, within  
14 a reasonable period, the condition on its  
15 system which necessitates the disconnection  
16 or the reduction of electrical output. The  
17 duration of the disconnection or the  
18 reduction in electrical output shall be  
19 limited to the period of time such a  
20 condition exists.

21 4.4.4 The Generating Facility shall be operated  
22 with all of Seller's Protective Apparatus in  
23 service whenever the Generator is connected  
24 to or is operated in parallel with the  
25 Edison electric system. Any deviation for  
26 //

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1 brief periods of emergency or maintenance  
2 shall only be by agreement of the Parties.

3 4.4.5 Each Party shall keep the other Party's  
4 Operating Representative informed as to the  
5 operating schedule of their respective  
6 facilities affecting each other's operation  
7 hereunder, including any reduction in  
8 Contract Capacity availability. In  
9 addition, Seller shall provide Edison with  
10 reasonable advance notice regarding its  
11 scheduled outages including any reduction in  
12 Contract Capacity availability. Reasonable  
13 advance notice is as follows:

<u>SCHEDULED OUTAGE</u> <u>EXPECTED DURATION</u>	<u>ADVANCE NOTICE</u> <u>TO EDISON</u>
Less than one day	24 Hours
One day or more (except major overhauls)	1 Week
Major overhaul	6 Months

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17 4.4.6 Notification by each Party's Operating  
18 Representative of outage date and duration  
19 should be directed to the other Party's  
20 Operating Representative by telephone.

21 4.4.7 Seller shall not schedule major overhauls  
22 during Peak Months.

23 4.4.8 Seller shall maintain an operating log at  
24 Seller's Facility with records of: real and  
25 reactive power production; changes in  
26

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1 operating status, outages, Protective  
2 Apparatus operations; and any unusual  
3 conditions found during inspections.  
4 Changes in setting shall also be logged for  
5 Generators which are "block-loaded" to a  
6 specific kW capacity. In addition, Seller  
7 shall maintain records applicable to the  
8 Generating Facility, including the  
9 electrical characteristics of the Generator  
10 and settings or adjustments of the Generator  
11 control equipment and protective devices.  
12 Information maintained pursuant to this  
13 Section 4.4.8 shall be provided to Edison,  
14 within 30 days of Edison's request.

15 4.4.9 If, at any time, Edison doubts the integrity  
16 of any of Seller's Protective Apparatus and  
17 believes that such loss of integrity would  
18 impair the Edison Electric System Integrity,  
19 Seller shall demonstrate, to Edison's  
20 satisfaction, the correct calibration and  
21 operation of the equipment in question.

22 4.4.10 Seller shall test all protective devices  
23 specified in Section 4.2 with qualified  
24 Edison personnel present at intervals not to  
25 exceed four years.

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1           4.4.11 Seller shall, to the extent possible,  
2                   provide reactive power for its own  
3                   requirements, and where applicable, the  
4                   reactive power losses of interfacing  
5                   transformers. Seller shall not deliver  
6                   excess reactive power to Edison unless  
7                   otherwise agreed upon between the Parties.

8           4.4.12 The Seller warrants that the Generating  
9                   Facility meets the requirements of a  
10                  Qualifying Facility as of the effective date  
11                  of this Contract and continuing through the  
12                  Contract Term.

13          4.4.13 The Seller warrants that the Generating  
14                  Facility shall at all times conform to all  
15                  applicable laws and regulations. Seller  
16                  shall obtain and maintain any governmental  
17                  authorizations and permits for the continued  
18                  operation of the Generating Facility. If at  
19                  any time Seller does not hold such  
20                  authorizations and permits, Seller agrees to  
21                  reimburse Edison for any loss which Edison  
22                  incurs as a result of the Seller's failure  
23                  to maintain governmental authorization and  
24                  permits.

25          4.4.14 At Edison's request, Seller shall make all  
26                  reasonable effort to deliver power at an

ENERGY CAPITAL CORPORATION

1 average rate of delivery at least equal to  
2 the Contract Capacity during periods of  
3 Emergency. In the event that the Seller has  
4 previously scheduled an outage coincident  
5 with an Emergency, Seller shall make all  
6 reasonable efforts to reschedule the  
7 outage. The notification periods listed in  
8 Section 4.4.5 shall be waived by Edison if  
9 Seller reschedules the outage.

10 4.4.15 Seller shall demonstrate the ability to  
11 provide Edison the specified Contract  
12 Capacity within 30 days of the date of Firm  
13 Operation. Thereafter, at least once per  
14 year at Edison's request, Seller shall  
15 demonstrate the ability to provide Contract  
16 Capacity for a reasonable period of time as  
17 required by Edison. Seller's demonstration  
18 of Contract Capacity shall be at Seller's  
19 expense and conducted at a time and pursuant  
20 to procedures mutually agreed upon by the  
21 Parties. If Seller fails to demonstrate the  
22 ability to provide the Contract Capacity,  
23 the Contract Capacity shall be reduced by  
24 agreement of the Parties pursuant to  
25 Section 9.1.2.5.

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1       4.5   Maintenance

2           4.5.1   Seller shall maintain the Generating  
3                    Facility in accordance with applicable  
4                    California utility industry standards and  
5                    good engineering and operating practices.  
6                    Edison shall have the right to monitor such  
7                    maintenance of the Generating Facility.  
8                    Seller shall maintain and deliver a  
9                    maintenance record of the Generating Facility  
10                   to Edison's Operating Representatives upon  
11                   request.

12          4.5.2   Seller shall make a reasonable effort to  
13                   schedule routine maintenance during Off-Peak  
14                   Months. Outages for scheduled maintenance  
15                   shall not exceed a total of 30 peak hours  
16                   for the Peak Months.

17          4.5.3   The allowance for scheduled maintenance is  
18                   as follows:

- 19           a.   Outage periods for scheduled maintenance  
20                   shall not exceed 840 hours (35 days) in  
21                   any 12-month period. This allowance may  
22                   be used in increments of an hour or  
23                   longer on a consecutive or nonconsecutive  
24                   basis.
- 25           b.   Seller may accumulate unused maintenance  
26                   hours on a year-to-year basis up to a

1 maximum of 1,080 hours (45 days). This  
2 accrued time must be used consecutively  
3 and only for major overhauls.

4 4.6 Any review by Edison of the design, construction,  
5 operation, or maintenance of the Project is solely  
6 for the information of Edison. By making such  
7 review, Edison makes no representation as to the  
8 economic and technical feasibility, operational  
9 capability, or reliability of the Project. Seller  
10 shall in no way represent to any third party that  
11 any such review by Edison of the Project, including  
12 but not limited to, any review of the design,  
13 construction, operation, or maintenance of the  
14 Project by Edison is a representation by Edison as  
15 to the economic and technical feasibility,  
16 operational capability, or reliability of said  
17 facilities. Seller is solely responsible for  
18 economic and technical feasibility, operational  
19 capability, or reliability thereof.

20 5. OPERATING OPTIONS

21 5.1 Seller shall elect in Section 1.9 to Operate its  
22 Generating Facility in parallel with Edison's  
23 electric system pursuant to one of the following  
24 options:

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ENERGY CAPITAL CORPORATION

- 1 a. Operating Option I: Seller dedicates the  
2 entire Generator output to Edison with no  
3 electrical service required from Edison.  
4 b. Operating Option II: Seller dedicates the  
5 entire Generator output to Edison with  
6 electrical service required from Edison.  
7 c. Operating Option III: Seller dedicates to  
8 Edison only that portion of the Generator  
9 output in excess of Seller's electrical service  
10 requirements. As much as practicable, Seller  
11 intends to serve its electrical requirements  
12 from the Generator output and will require  
13 electrical standby from Edison as designated in  
14 Section 1.9.

15 5.2 After expiration of the First Period of the Contract  
16 Term, Seller may change the Operating Option, but  
17 not more than once per year upon at least 90 days  
18 prior written notice to Edison. A reduction in  
19 Contract Capacity as a result of a change in operating  
20 options shall be subject to Section 9.1.2.5. Edison  
21 shall not be required to remove or reserve capacity  
22 of Interconnection Facilities made idle by a change  
23 in operating options. Edison may dedicate any such  
24 idle Interconnection Facilities at any time to serve  
25 other customers or to interconnect with other  
26 electric power sources. Edison shall process

1 requests for changes of operating option in the  
2 chronological order received.

3 5.2.1 When the Seller wishes to reserve  
4 Interconnection Facilities paid for by the  
5 Seller but idled by a change in operation  
6 option, Edison shall impose a special  
7 facilities charge related to the operation  
8 and maintenance of the Interconnection  
9 Facility. When the Seller no longer needs  
10 said facilities for which it has paid, the  
11 Seller shall receive credit for the net  
12 salvage value of the Interconnection  
13 Facilities dedicated to Edison's use. If  
14 Edison is able to make use of these  
15 facilities to serve other customers, the  
16 Seller shall receive the fair market value  
17 of the facilities determined as of the date  
18 the Seller either decides no longer to use  
19 said facilities or fails to pay the required  
20 maintenance fee.

21 **6. INTERCONNECTION FACILITIES**

22 6.1 The Parties shall execute an Interconnection  
23 Facilities Agreement selected by Seller in  
24 Section 1.10, covering the design, installation,  
25 operation and maintenance of the Interconnection  
26 Facilities required in Edison's sole judgment, to

ENERGY CAPITAL CORPORATION

1 permit an electrical interface between the Parties  
2 pursuant to Edison's Tariff Rule No. 21.

3 6.2 The cost for the Interconnection Facilities set  
4 forth in the appendices specified in Section 1.10,  
5 are estimates only for Seller's information and will  
6 be adjusted to reflect recorded costs after  
7 installation is complete; except that, upon Seller's  
8 written request to Edison, Edison shall provide a  
9 binding estimate which shall be the basis for the  
10 Interconnection Facilities cost in the Interconnection  
11 Facilities Agreement executed by the Parties.

12 6.3 The nature of the Interconnection Facilities and the  
13 Point of Interconnection shall be set forth either  
14 by equipment lists or appropriate one-line diagrams  
15 and shall be attached to the appropriate appendix  
16 specified in Section 1.10.

17 6.4 The design, installation, operation, maintenance,  
18 and modifications of the Interconnection Facilities  
19 shall be at Seller's expense.

20 6.5 Seller shall not commence parallel operation of the  
21 Generating Facility until written approval for  
22 operation of the Interconnection Facilities has been  
23 received from Edison. The Seller shall notify  
24 Edison at least forty-five days prior to the initial  
25 energizing of the Point of Interconnection. Edison  
26 shall have the right to inspect the Interconnection

1 Facilities within thirty days of receipt of such  
2 notice. If the facilities do not pass Edison's  
3 inspection, Edison shall provide in writing the  
4 reasons for this failure within five days of the  
5 inspection.

6 6.6 Seller, at no cost to Edison, shall acquire all  
7 permits and approvals and complete all environmental  
8 impact studies necessary for the design, installation,  
9 operation, and maintenance of the Interconnection  
10 Facilities.

11 7. ELECTRIC LINES AND ASSOCIATED EASEMENTS

12 7.1 Edison shall, as it deems necessary or desirable,  
13 build electric lines, facilities and other equipment,  
14 both overhead and underground, on and off Seller's  
15 Facility, for the purpose of effecting the agreements  
16 contained in this Contract. The physical location  
17 of such electric lines, facilities and other  
18 equipment on Seller's Facility shall be determined  
19 by agreement of the Parties.

20 7.2 Seller shall reimburse Edison for the cost of  
21 acquiring property rights off Sellers's Facility  
22 required by Edison to meet its obligations under  
23 this Contract.

24 7.3 Seller shall grant to Edison, without cost to  
25 Edison, and by an instrument of conveyance,  
26 acceptable to Edison, rights of way, easements and

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1 other property interests necessary to construct,  
2 reconstruct, use, maintain, alter, add to, enlarge,  
3 repair, replace, inspect and remove, at any time,  
4 the electric lines, facilities or other equipment,  
5 both overhead and underground, which are required by  
6 Edison to effect the agreements contained in the  
7 Contract. The rights of ingress and egress at all  
8 reasonable times necessary for Edison to perform the  
9 activities contemplated in the Contract.

10 7.4 The electric lines, facilities, or other equipment  
11 referred to in this Section 7 installed by Edison on  
12 or off Seller's Facility shall be and remain the  
13 property of Edison.

14 7.5 Edison shall have no obligation to Seller for any  
15 delay or cancellation due to inability to acquire a  
16 satisfactory right of way, easements, or other  
17 property interests.

18 8. METERING

19 8.1 All meters and equipment used for the measurement of  
20 electric power for determining Edison's payments to  
21 Seller pursuant to this Contract shall be provided,  
22 owned, and maintained by Edison at Seller's expense  
23 in accordance with Edison's Tariff Rule No. 21.

24 8.2 All meters and equipment used for billing Seller for  
25 electric service provided to Seller by Edison under  
26 Operating Options II or III shall be provided,

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1 owned, and maintained by Edison at Edison's expense  
2 in accordance with Edison's Tariff Rule No. 16.

3 8.3 The meters and equipment used for measuring the  
4 Energy sold to Edison shall be located on the side  
5 of the Interconnection Facilities as specified by  
6 Seller in Section 1.13. If the metering equipment  
7 is located on Seller's side of the Interconnection  
8 Facilities, then a loss compensation factor agreed  
9 upon by the Parties shall be applied. At the  
10 written request of the Seller, and at Seller's sole  
11 expense, Edison shall measure actual transformer  
12 losses. If the actual measured value differs from  
13 the agreed-upon loss compensation factor, the actual  
14 value shall be applied prospectively. If the meters  
15 are placed on Edison's side of the Interconnection  
16 Facilities, service shall be provided at the  
17 available transformer high-side voltage.

18 8.4 For purposes of monitoring the Generator operation  
19 and the determination of standby charges, Edison  
20 shall have the right to require, at Seller's  
21 expense, the installation of generation metering.  
22 Edison may also require the installation of  
23 telemetering equipment at Seller's expense for  
24 Generating Facilities equal to or greater than  
25 10 MW. Edison may require the installation of

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1 telemetering equipment at Edison's expense for  
2 Generating Facilities less than 10 MW.

3 8.5 Edison's meters shall be sealed and the seals shall  
4 be broken only when the meters are to be inspected,  
5 tested, or adjusted by Edison. Seller shall be  
6 given reasonable notice of testing and have the  
7 right to have its Operating Representative present  
8 on such occasions.

9 8.6 Edison's meters installed pursuant to this Contract  
10 shall be tested by Edison, at Edison's expense, at  
11 least once each year and at any reasonable time upon  
12 request by either Party, at the requesting Party's  
13 expense. If Seller makes such request, Seller shall  
14 reimburse said expense to Edison within thirty days  
15 after presentation of a bill therefore.

16 8.7 Metering equipment found to be inaccurate shall be  
17 repaired, adjusted, or replaced by Edison such that  
18 the metering accuracy of said equipment shall be  
19 within two percent. If metering equipment  
20 inaccuracy exceeds two percent, the correct amount  
21 of Energy and Contract Capacity delivered during the  
22 period of said inaccuracy shall be estimated by  
23 Edison and agreed upon by the Parties.

24 9. POWER PURCHASE PROVISIONS

25 Prior to the date of Firm Operation, Seller shall be paid  
26 for Energy only pursuant to Edison's published avoided

ENERGY CAPITAL CORPORATION

1 cost of energy based on Edison's full avoided operating  
2 cost as periodically updated and accepted by the  
3 Commission. If at any time Energy can be delivered to  
4 Edison and Seller is contesting the claimed jurisdiction  
5 of any entity which has not issued a license or other  
6 approval for the Project, Seller, in its sole discretion  
7 and risk, may deliver Energy to Edison and for any Energy  
8 purchased by Edison Seller shall receive payment from  
9 Edison for (i) Energy pursuant to this Section, and  
10 (ii) as-available capacity based on a capacity price from  
11 the Standard Offer No. 1 Capacity Payment Schedule as  
12 approved by the Commission. Unless and until all  
13 required licenses and approvals have been obtained,  
14 Seller may discontinue deliveries at any time.

15 9.1 Capacity Payments

16 Seller shall sell to Edison and Edison shall  
17 purchase from Seller capacity pursuant to the  
18 Capacity Payment Option selected by Seller in  
19 Section 1.11. The Capacity Payment Schedules will  
20 be based on Edison's full avoided operating costs as  
21 approved by the Commission throughout the life of  
22 this Contract. Data used to derive Edison's full  
23 avoided costs will be made available to the Seller,  
24 to the extent specified by Seller upon request.

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1           9.1.1   Capacity Payment Option A -- As Available  
2                   Capacity.

3                   If Seller selects Capacity Payment Option A,  
4                   Seller shall be paid a monthly capacity  
5                   payment calculated pursuant to the following  
6                   formula:

7   MONTHLY CAPACITY PAYMENT = (A x D)+(B x D)+(C x D)

8                   Where A = kWh purchased by Edison during  
9                                   on-peak periods defined in  
10                                  Edison's Tariff Schedule  
11                                  No. TOU-8.

12                   B = kWh purchased by Edison during  
13                                  mid-peak periods defined in  
14                                  Edison's Tariff Schedule  
15                                  No. TOU-8.

16                   C = kWh purchased by Edison during  
17                                  off-peak periods defined in  
18                                  Edison's Tariff Schedule  
19                                  No. TOU-8.

20                   D = The appropriate time  
21                                  differentiated capacity price  
22                                  from either the Standard Offer  
23                                  No. 1 Capacity Payment Schedule  
24                                  or Forecast of Annual  
25                                  As-Available Capacity Payment

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ENERGY CAPITAL CORPORATION

1 Schedule as specified by Seller  
2 in Section 1.11.

3 9.1.1.1 If Seller specifies the Standard  
4 Offer No. 1 Capacity Payment  
5 Schedule in Section 1.11, then the  
6 formula set forth in Section 9.1.1  
7 shall be computed with D equal to  
8 the appropriate time differentiated  
9 capacity price from the Standard  
10 Offer No. 1 Capacity Payment  
11 Schedule for the Contract Term.

12 9.1.1.2 If Seller specifies the Forecast of  
13 Annual As-Available Capacity Payment  
14 Schedule in Section 1.11, the  
15 formula set forth in Section 9.1.1  
16 shall be computed as follows:

- 17 a. During the First Period of the  
18 Contract Term D shall equal the  
19 appropriate time differentiated  
20 capacity price from the Forecast  
21 of Annual As-Available Capacity  
22 Payment Schedule.
- 23 b. During the Second Period of the  
24 Contract Term, the formula shall  
25 be computed with D equal to the  
26 appropriate time differentiated

1 capacity price from Standard  
2 Offer No. 1 Capacity Payment  
3 Schedule, but not less than the  
4 greater of (i) the appropriate  
5 time differentiated capacity  
6 price from the Forecast of  
7 Annual As-Available Capacity  
8 Payment Schedule for the last  
9 year of the First Period, or  
10 (ii) the appropriate time  
11 differentiated capacity price  
12 from the Standard Offer No. 1  
13 Capacity Payment Schedule for  
14 the first year of the Second  
15 Period.

16 9.1.2 Capacity Payment Option B -- Firm Capacity  
17 Purchase

18 If Seller selects Capacity Payment Option B,  
19 Seller shall provide to Edison for the  
20 Contract Term the Contract Capacity  
21 specified in Section 1.5, or as adjusted  
22 pursuant to Section 9.1.2.6, and Seller  
23 shall be paid as follows:

24 9.1.2.1 If Seller meets the performance  
25 requirements set forth in  
26 Section 9.1.2.2, Seller shall be



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1 D = Period Performance Factor, not  
2 to exceed 1.0, calculated as  
3 follows:

4 Period kWh purchased by Edison  
5 limited by the level of Contract  
6 Capacity  
7  $0.8 \times \text{Contract Capacity} \times (\text{Period}$   
8  $\text{Hours minus Maintenance Hours}$   
9  $\text{Allowed in Section 4.5.})$

10 9.1.2.2 Performance Requirements

11 To receive the Monthly Capacity  
12 Payment in Section 9.1.2.1, Seller  
13 shall provide the Contract Capacity  
14 in each Peak Month for all on-peak  
15 hours as such peak hours are defined  
16 in Edison's Tariff Schedule No. TOU-8  
17 on file with the Commission, except  
18 that Seller is entitled to a 20%  
19 allowance for Forced Outages for  
20 each Peak Month. Seller shall not  
21 be subject to such performance  
22 requirements for the remaining hours  
23 of the year.

24 a. If Seller fails to meet the  
25 requirements specified in  
26 Section 9.1.2.2, Seller, in  
Edison's sole discretion, may be  
placed on probation for a period

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not to exceed 15 months. If Seller fails to meet the requirements specified in Section 9.1.2.2 during the probationary period, Edison may derate the Contract Capacity to the greater of the capacity actually delivered during the probationary period, or the capacity at which Seller can reasonably meet such requirements. A reduction in Contract Capacity as a result of this Section 9.1.2.2 shall be subject to Section 9.1.2.5.

b. If Seller fails to meet the requirements set forth in Section 9.1.2.2 due to a Forced Outage on the Edison system or a request to reduce or curtail delivery under Section 9.4, Edison shall continue Monthly Capacity Payments pursuant to Capacity Payment Option B. The Contract Capacity curtailed shall be treated the same as

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1                    scheduled maintenance outages in  
2                    the Calculation of the Monthly  
3                    Capacity Payment.

4                    9.1.2.3 If Seller is unable to provide  
5                    Contract Capacity due to  
6                    Uncontrollable Forces, Edison shall  
7                    continue Monthly Capacity Payments  
8                    for 90 days from the occurrence of  
9                    the Uncontrollable Force. Monthly  
10                    Capacity Payments payable during a  
11                    period of interruption or reduction  
12                    by reason of an Uncontrollable Force  
13                    shall be treated the same as  
14                    scheduled maintenance outages.

15                    9.1.2.4 Capacity Bonus Payment

16                    For Capacity Payment Option B,  
17                    Seller may receive a Capacity Bonus  
18                    Payment as follows:

- 19                    a. Bonus During Peak Months -- For  
20                    a Peak Month, Seller shall  
21                    receive a Capacity Bonus Payment  
22                    if (i) the requirements set  
23                    forth in Section 9.1.2.2 have  
24                    been met, and (ii) the on-peak  
25                    capacity factor exceeds 85%.

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b. Bonus During Non-Peak

Months -- For a non-peak month, Seller shall receive a Capacity Bonus Payment if (i) the requirements set forth in Section 9.1.2.2 have been met, (ii) the on-peak capacity factor for each Peak Month during the year was at least 85%, and (iii) the on-peak capacity factor for the non-peak month exceeds 85%.

c. For any eligible month, the Capacity Bonus Payment shall be calculated as follows:

$$\text{CAPACITY BONUS PAYMENT} = A \times B \times C \times D$$

Where A =  $(1.2 \times \text{On-Peak Capacity Factor}) - 1.02$

Where the On-Peak Capacity Factor, not to exceed 1.0, is calculated as follows:

$$\frac{\text{Period kWh purchased by Edison limited by the level of Contract Capacity}}{(\text{Contract Capacity}) \times (\text{Period Hours minus Maintenance Hours Allowed in Section 4.5})}$$

B = Contract Capacity Price specified in Section 1.11 for Capacity Payment Option B

C = 1/12

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1 D = Contract Capacity specified in  
2 Section 1.5

- 3 d. When Seller is entitled to  
4 receive a Capacity Bonus  
5 Payment, the Monthly Capacity  
6 Payment shall be the sum of the  
7 Monthly Capacity Payment  
8 pursuant to Section 9.1.2.1 and  
9 the Monthly Capacity Bonus  
10 Payment pursuant to this Section.  
11 e. For Capacity Payment Option B,  
12 Seller shall be paid for  
13 capacity in excess of Contract  
14 Capacity based on the  
15 as-available capacity price in  
16 Standard Offer No. 1 Capacity  
17 Payment Schedule, as updated and  
18 approved by the Commission.  
19 Seller shall not receive any  
20 as-available capacity payment in  
21 excess of Contract Capacity if  
22 Seller's Generating Facility is  
23 a small hydro project.

24 9.1.2.5 Capacity Reduction

- 25 a. Seller may reduce the Contract  
26 Capacity specified in

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1 Section 1.5, provided that  
2 Seller gives Edison prior  
3 written notice for a period  
4 determined by the amount of  
5 Contract Capacity reduced as  
6 follows:

<u>Amount of Contract Capacity Reduced</u>	<u>Length of Notice Required</u>
25,000 kW or under	12 months
25,001 - 50,000 kW	36 months
50,001 - 100,000 kW	48 months
over 100,000 kW	60 months

7  
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10 b. Subject to Section 10.4, Seller  
11 shall refund to Edison with  
12 interest at the current  
13 published Federal Reserve Board  
14 three months prime commercial  
15 paper rate an amount equal to  
16 the difference between (i) the  
17 accumulated Monthly Capacity  
18 Payments paid by Edison pursuant  
19 to Capacity Payment Option B up  
20 to the time the reduction notice  
21 is received by Edison, and  
22 (ii) the total capacity payments  
23 which Edison would have paid if  
24 based on the Adjusted Capacity  
25 Price.  
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- c. From the date the reduction notice is received to the date of actual capacity reduction, Edison shall make capacity payments based on the Adjusted Capacity Price for the amount of Contract Capacity being reduced.
- d. Seller may reduce Contract Capacity without the notice prescribed in Section 9.1.2.5(a), provided that Seller shall refund to Edison the amount specified in Section 9.1.2.5(b) and an amount equal to: (i) the amount of Contract Capacity being reduced, times (ii) the difference between the Current Capacity Price and the Contract Capacity Price, times (iii) the number of years and fractions thereof (not less than one year) by which the Seller has been deficient in giving prescribed notice. If the Current Capacity Price is less than the Contract Capacity Price, only payment

1 under Section 9.1.2.5(b) shall  
2 be due to Edison.

3 9.1.2.6 Adjustment to Contract Capacity

4 The Parties may agree in writing at  
5 any time to adjust the Contract  
6 Capacity. Seller may reduce the  
7 Contract Capacity pursuant to  
8 Section 9.1.2.5. Seller may increase  
9 the Contract Capacity with Edison's  
10 approval and thereafter receive  
11 payment for the increased capacity  
12 in accordance with the Contract  
13 Capacity Price for the Capacity  
14 Payment Option selected by Seller  
15 for the remaining Contract Term.

16 9.2 Energy Payments - First Period

17 During the First Period of the Contract Term, Seller  
18 shall be paid a Monthly Energy Payment for the  
19 Energy delivered by the Seller to Edison at the  
20 Point of Interconnection pursuant to the Energy  
21 Payment Option selected by Seller in Section 1.12,  
22 as follows. (Data used to derive Edison's Energy  
23 payments for the First Period will be made available  
24 to the Seller, to the extent specified by Seller,  
25 upon request.)

26 //

1           9.2.1   Energy Payment Option 1 -- Forecast of  
2                   Annual Marginal Cost of Energy.

3           If Seller selects Energy Payment Option 1,  
4           then during the First Period of the Contract  
5           Term, Seller shall be paid a Monthly Energy  
6           Payment for Energy delivered by Seller and  
7           purchased by Edison during each month in the  
8           First Period of the Contract Term pursuant  
9           to the following formula:

10       MONTHLY ENERGY PAYMENT =   (A x D) + (B x D) + (C x D)

11           Where A =   kWh purchased by Edison during  
12                       on-peak periods defined in  
13                       Edison's Tariff Schedule  
14                       No. TOU-8.

15           B =   kWh purchased by Edison during  
16                       mid-peak periods defined in  
17                       Edison's Tariff Schedule  
18                       No. TOU-8.

19           C =   kWh purchased by Edison during  
20                       off-peak periods defined in  
21                       Edison's Tariff Schedule  
22                       No. TOU-8.

23           D =   The sum of:  
24                       (i) the appropriate time  
25                       differentiated energy price from  
26                       the Forecast of Annual Marginal

ENERGY CAPITAL CORPORATION

1 Cost of Energy, multiplied by  
2 the decimal equivalent of the  
3 percentage of the forecast  
4 specified in Section 1.12, and  
5 (ii) the appropriate time  
6 differentiated energy price from  
7 Edison's published avoided cost  
8 of energy multiplied by the  
9 decimal equivalent of the  
10 percentage of the published  
11 energy price specified in  
12 Section 1.12.

13 9.2.2 Energy Payment Option 2 -- Levelized

14 Forecast of Marginal Cost of Energy.

15 If Seller selects Energy Payment Option 2,  
16 then during the First Period of the Contract  
17 Term, Seller shall be paid a Monthly Energy  
18 Payment for Energy delivered by Seller and  
19 purchased by Edison each month during the  
20 First Period of the Contract Term pursuant  
21 to the following formula:

22 MONTHLY ENERGY PAYMENT = (A x D) + (B x D) + (C x D)

23 Where A = kWh purchased by Edison during  
24 on-peak periods defined in  
25 Edison's Tariff Schedule  
26 No. TOU-8.

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B = kWh purchased by Edison during mid-peak periods defined in Edison's Tariff Schedule No. TOU-8.

C = kWh purchased by Edison during off-peak periods defined in Edison's Tariff Schedule No. TOU-8.

D = The sum of:  
(i) the appropriate time differentiated energy price from the Levelized Forecast of Marginal Cost of Energy, for the First Period of the Contract Term multiplied by the decimal equivalent of the percentage of the levelized forecast specified in Section 1.12, and  
(ii) the appropriate time differentiated energy price from Edison's published avoided cost of energy multiplied by the decimal equivalent of the percentage of the published energy price specified in Section 1.12.

1 9.2.2.1 Performance Requirement for Energy  
2 Payment Option 2

3 During the First Period when the  
4 annual forecast referred to in  
5 Section 9.2.1 is greater than the  
6 levelized forecast referred to in  
7 Section 9.2.2, Seller shall deliver  
8 to Edison at least 70 percent of the  
9 average annual kWh delivered to  
10 Edison during those previous periods  
11 when the levelized forecast referred  
12 to in Section 9.2.2 is greater than  
13 the annual forecast referred to in  
14 Section 9.2.1 as resource conditions  
15 permit for solar, wind, and hydro  
16 Generating Facilities and excluding  
17 uncontrollable forces. If Seller does  
18 not meet the performance requirements  
19 of this Section 9.2.2.1, Seller  
20 shall be subject to Section 9.5.

21 9.3 Energy Payments - Second Period

22 During the Second Period of the Contract Term,  
23 Seller shall be paid a Monthly Energy Payment for  
24 Energy delivered by Seller and purchased by Edison  
25 at a rate equal to 100% of Edison's published  
26 avoided cost of energy based on Edison's full

ENERGY CAPITAL CORPORATION

1           avoided operating cost as updated periodically and  
2           accepted by the Commission, pursuant to the  
3           following formula:

4       MONTHLY ENERGY PAYMENT =   kWh purchased by Edison for each  
5   on-peak, mid-peak, and off-peak  
6   time period defined in Edison's  
7   Tariff Schedule No. TOU-8  
8   x   Edison's published avoided cost  
9   of energy by time of delivery  
10    for each time period.

11           Data used to derive Edison's full avoided costs will  
12           be made available to the Seller, to the extent  
13           specified by Seller, upon request.

14       9.4   Edison shall not be obligated to accept or pay for  
15           Energy, and may request Seller whose Generating  
16           Facility is one (1) MW or greater to discontinue or  
17           reduce delivery of Energy, for not more than  
18           300 hours annually during off-peak hours when  
19           (i) purchases would result in costs greater than  
20           those which Edison would incur if it did not  
21           purchase Energy from Seller but instead utilized an  
22           equivalent amount of Energy generated from another  
23           Edison source, or (ii) the Edison Electric System  
24           demand would require that Edison hydro-energy be  
25           spilled to reduce generation.

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1 9.5 Energy Payment Refund

2 If Seller elects Energy Payment Option 2, Seller  
3 shall be subject to the following:

4 9.5.1 If Seller fails to perform the Contract  
5 obligations for any reason during the First  
6 Period of the Contract Term, or fails to  
7 meet the performance requirements set forth  
8 in Section 9.2.2.1, and at the time of such  
9 failure to perform, the net present value of  
10 the cumulative Energy payments received by  
11 Seller pursuant to Energy Payment Option 2  
12 exceeds the net present value of what Seller  
13 would have been paid pursuant to Energy  
14 Payment Option 1, Seller shall make an  
15 energy payment refund equal to the  
16 difference in such net present values in the  
17 year in which the refund is due. The  
18 present value calculation shall be based  
19 upon the rate of Edison's incremental cost  
20 of capital specified in Section 1.12.

21 9.5.2 Not less than 90 days prior to the date  
22 Energy is first delivered to the Point of  
23 Interconnection, Seller shall provide and  
24 maintain a performance bond, surety bond,  
25 performance insurance, corporate guarantee,  
26 or bank letter of credit, satisfactory to

ENERGY CAPITAL CORPORATION

1 Edison, which shall insure payment to Edison  
2 of the Energy Payment Refund at any time  
3 during the First Period. Edison may, in its  
4 sole discretion accept another form of  
5 security except that in such instance a  
6 1-1/2 percent reduction shall then apply to  
7 the levelized forecast referred to in  
8 Section 9.2.2 in computing payments for  
9 Energy. Edison shall be provided with  
10 certificates evidencing Seller's compliance  
11 with the security requirements in this  
12 Section which shall also include the  
13 requirement that Edison be given 90 days  
14 prior written notice of the expiration of  
15 such security.

16 9.5.3 If Seller fails to provide replacement  
17 security not less than 60 days prior to the  
18 date of expiration of existing security, the  
19 Energy Payment Refund provided in  
20 Section 9.5 shall be payable forthwith.  
21 Thereafter, payments for Energy shall be  
22 100 percent of the Monthly Energy Payment  
23 provided in Section 9.2.1.

24 9.5.4 If Edison at any time determines the  
25 security to be otherwise inadequate, and so  
26 notifies Seller, payments thereafter for

ENERGY CAPITAL CORPORATION

1 Energy shall be 100 percent of the Monthly  
2 Energy Payment provided in Section 9.2.1.  
3 If within 30 days of the date Edison gives  
4 notice of such inadequacies, Seller  
5 satisfies Edison's security requirements,  
6 Energy Payment Option 2 shall be reinstated.  
7 If Seller fails to satisfy Edison's security  
8 requirements within the 30-day period, the  
9 Energy Payment Refund provided in Section 9.5  
10 shall be payable forthwith.

11 10. PAYMENT AND BILLING PROVISIONS

12 10.1 For Energy and capacity purchased by Edison:

13 10.1.1 Edison shall mail to Seller not later than  
14 thirty days after the end of each monthly  
15 billing period (1) a statement showing the  
16 Energy and Contract Capacity delivered to  
17 Edison during the on-peak, mid-peak, and  
18 off-peak periods, as those periods are  
19 specified in Edison's Tariff Schedule No.  
20 TOU-8 for that monthly billing period,  
21 (2) Edison's computation of the amount due  
22 Seller, and (3) Edison's check in payment of  
23 said amount.

24 10.1.2 If the monthly payment period involves  
25 portions of two different published Energy  
26 payment schedule periods, the monthly Energy

ENERGY CAPITAL CORPORATION

1 payment shall be prorated on the basis of  
2 the percentage of days at each price.

3 10.1.3 If the payment period is less than 27 days  
4 or greater than 33 days, the capacity  
5 payment shall be prorated on the basis of  
6 the average days per month per year.

7 10.1.4 If within thirty days of receipt of the  
8 statement Seller does not make a report in  
9 writing to Edison of an error, Seller shall  
10 be deemed to have waived any error in  
11 Edison's statement, computation, and  
12 payment, and they shall be considered  
13 correct and complete.

14 10.2 For electric service provided by Edison:

15 10.2.1 Under Operating Option III pursuant to  
16 Section 5.1, standby electric service shall  
17 be provided under terms and conditions of  
18 Edison's tariff schedule indicated below as  
19 now in effect or as may hereafter be  
20 authorized by the Commission to be revised.

21 The applicable tariff schedules are:

22 STANDBY TARIFF  
23 SCHEDULE NO.

ELECTRIC SERVICE TARIFF

24 SCG-1  
25 SCG-2  
26 SCG-3

TOU-8 or GS-2  
TOU-8  
TOU-8

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10.2.1.1 (Applicable to SCG-1 only) The Standby Demand for calculation of the standby charge in SCG-1 as specified in Section 1.9. Edison reserves the right to adjust the Standby Demand based on recorded demand during periods standby power is required.

10.2.1.2 (Applicable to SCG-1 only) The capacity rating for determination of standby waiver qualifications shall be Contract Capacity plus the maximum electric load served by the Generating Facility during the on-peak time period recorded during the preceding 12-month time period.

10.2.1.3 A minimum monthly charge may be established for standby electric service as provided in the tariff schedule elected in Section 1.9. Said minimum monthly charge shall be specified in Section 1.9.

1           10.2.2 Under Operating Options II and III pursuant  
2                   to Section 5.1, electric service shall be  
3                   provided under terms, conditions, and rates  
4                   of Edison's tariff schedule indicated below  
5                   as now in effect or as may hereafter be  
6                   authorized by the Commission to be revised.  
7                   The applicable tariff schedule is:

8                           TOU-8,  
9                           GS-1, or  
10                           GS-2

11                   The contract demand for calculation of the  
12                   minimum demand charge in the applicable  
13                   tariff schedules is specified in Section 1.9.

14           10.2.3 Edison shall commence billing Seller for  
15                   electric service rendered pursuant to the  
16                   applicable tariff schedule on the date that  
17                   the Point of Interconnection is energized.

18   10.3 Monthly charges associated with Interconnection  
19           Facilities shall be billed pursuant to the  
20           Interconnection Facilities Agreement contained in  
21           the Appendix specified in Section 1.10.

22   10.4 Payments due to Contract Capacity Reduction

23           10.4.1 The Parties agree that the refund and  
24                   payments provided in Section 9.1.2.5  
25                   represent a fair compensation for the

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ENERGY CAPITAL CORPORATION

1 reasonable losses that would result from  
2 such reduction of Contract Capacity.

3 10.4.2 In the event of a reduction in Contract  
4 Capacity, the quantity, in kW, by which the  
5 Contract Capacity is reduced shall be used  
6 to calculate the refunds and payments due  
7 Edison in accordance with Section 9.1.2.5,  
8 as applicable.

9 10.4.3 Edison shall provide invoices to Seller for  
10 all refunds and payments due Edison under  
11 this section which shall be due within  
12 60 days.

13 10.4.4 If Seller does not make payments as required  
14 in Section 10.4.3, Edison shall have the  
15 right to offset any amounts due it against  
16 any present or future payments due Seller  
17 and may pursue any other remedies available  
18 to Edison as a result of Seller's failure to  
19 perform.

20 10.5 Energy Payment Refund

21 Energy Payment Refund is immediately due and payable  
22 upon Seller's failure to perform the contract  
23 obligations as specified in Section 9.5.

24 11. TAXES

25 11.1 Seller shall pay ad valorem taxes and other taxes  
26 properly attributable to the Project. If such taxes

1 are assessed or levied against Edison, Seller shall  
2 pay Edison for such assessment or levy.

3 11.2 Seller shall pay ad valorem taxes and other taxes  
4 properly attributed to land, land rights, or  
5 interest in land for the Project. If such taxes are  
6 assessed or levied against Edison, Seller shall pay  
7 Edison for such assessment or levy.

8 11.3 If the Interconnection Facilities are owned by  
9 Edison, Edison shall pay ad valorem taxes and other  
10 taxes properly attributed to said facilities. If  
11 such taxes are assessed or levied against Seller,  
12 Edison shall pay Seller for such assessment or levy.

13 11.4 Seller or Edison shall provide information  
14 concerning the Project to any requesting taxing  
15 authority.

16 12. TERMINATION

17 12.1 This Contract shall terminate if Firm Operation does  
18 not occur within 5 years of the date of Contract  
19 execution.

20 13. LIABILITY

21 13.1 Each Party (First Party) releases the other Party  
22 (Second Party), its directors, officers, employees  
23 and agents from any loss, damage, claim, cost,  
24 charge, or expense of any kind or nature (including  
25 any direct, indirect or consequential loss, damage,  
26 claim, cost, charge, or expense), including

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1 attorney's fees and other costs of litigation  
2 incurred by the First Party in connection with  
3 damage to property of the First Party caused by or  
4 arising out of the Second Party's construction,  
5 engineering, repair, supervision, inspection,  
6 testing, protection, operation, maintenance,  
7 replacement, reconstruction, use or ownership of its  
8 facilities, to the extent that such loss, damage,  
9 claim, cost, charge, or expense is caused by the  
10 negligence of Second Party, its directors, officers,  
11 employees, agents, or any person or entity whose  
12 negligence would be imputed to Second Party.

13 13.2 Each Party shall indemnify and hold harmless the  
14 other Party, its directors, officers, and employees  
15 or agents from and against any loss, damage, claim,  
16 cost, charge, (including direct, indirect or  
17 consequential loss, damage, claim, cost charge, or  
18 expense), including attorney's fees and other costs  
19 of litigation incurred by the other Party in  
20 connection with the injury to or death of any person  
21 or damage to property of a third party arising out  
22 of the indemnifying Party's construction,  
23 engineering, repair, supervision, inspection,  
24 testing, protection, operation, maintenance,  
25 replacement, reconstruction, use, or ownership of  
26 its facilities, to the extent that such loss,

ENERGY CAPITAL CORPORATION

1 damage, claim, cost, charge, or expense is caused by  
2 the negligence of the indemnifying Party, its  
3 directors, officers, employees, agents, or any  
4 person or entity whose negligence would be imputed  
5 to the indemnifying Party; provided, however, that  
6 each Party shall be solely responsible for and shall  
7 bear all cost of claims brought by its contractors  
8 or its own employees and shall indemnify and hold  
9 harmless the other Party for any such costs  
10 including costs arising out of any workers  
11 compensation law. Seller releases and shall defend  
12 and indemnify Edison from, any claim, cost, loss,  
13 damage, or liability arising from any contrary  
14 representation concerning the effect of Edison's  
15 review of the design, construction, operation, or  
16 maintenance of the Project.

17 13.3 The provisions of this Section 13 shall not be  
18 construed so as to relieve any insurer of its  
19 obligations to pay any insurance claims in  
20 accordance with the provisions of any valid  
21 insurance policy.

22 13.4 Neither Party shall be indemnified under this  
23 Section 13 for its liability or loss resulting from  
24 its sole negligence or willful misconduct.

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14. INSURANCE

14.1 Until Contract is terminated, Seller shall obtain and maintain in force as hereinafter provided comprehensive general liability insurance, including contractual liability coverage, with a combined single limit of (i) not less than \$1,000,000 each occurrence for Generating Facilities 100 kW or greater; (ii) not less than \$500,000 for each occurrence for Generating Facilities between 20 kW and 100 kW; and (iii) not less than \$100,000 for each occurrence for Generating Facilities less than 20 kW. The insurance carrier or carriers and form of policy shall be subject to review and approval by Edison.

14.2 Prior to the date Seller's Generating Facility is first operated in parallel with Edison's electric system, Seller shall (i) furnish certificate of insurance to Edison, which certificate shall provide that such insurance shall not be terminated nor expire except on thirty days prior written notice to Edison, (ii) maintain such insurance in effect for so long as Seller's Generating Facility is operated in parallel with Edison's electric system, and (iii) furnish to Edison an additional insured endorsement with respect to such insurance in substantially the following form:

ENERGY CAPITAL CORPORATION

1 "In consideration of the premium charged,  
2 Southern California Edison Company (Edison) is  
3 named as additional insured with respect to all  
4 liabilities arising out of Seller's use and  
5 ownership of Seller's Generating Facility."

6 "The inclusion of more than one insured under  
7 this policy shall not operate to impair the  
8 rights of one insured against another insured  
9 and the coverages afforded by this policy will  
10 apply as though separate policies had been  
11 issued to each insured. The inclusion of more  
12 than one insured will not, however, operate to  
13 increase the limit of the carrier's liability.  
14 Edison will not, by reason of its inclusion  
15 under this policy, incur liability to the  
16 insurance carrier for payment of premium for  
17 this policy."

18 "Any other insurance carried by Edison which  
19 may be applicable shall be deemed excess  
20 insurance and Seller's insurance primary for  
21 all purposes despite any conflicting provisions  
22 in Seller's policy to the contrary."

23 If the requirement of Section 14.2(iii) prevents  
24 Seller from obtaining the insurance required in  
25 Section 14.1 then upon written notification by  
26 Seller to Edison, Section 14.2(iii) shall be waived.

ENERGY CAPITAL CORPORATION

1 14.3 The requirements of this Section 14 shall not apply  
2 to Seller who is a self-insured governmental agency  
3 with established record of self-insurance.

4 14.4 If Seller fails to comply with the provisions of  
5 this Section 14, Seller shall, at its own cost,  
6 defend, indemnify, and hold harmless Edison, its  
7 directors, officers, employees, agents, assigns, and  
8 successors in interest from and against any and all  
9 loss, damage, claim, cost, charge, or expense of any  
10 kind of nature (including direct, indirect or  
11 consequential loss, damage, claim, cost, charge, or  
12 expense, including attorney's fees and other costs  
13 of litigation) resulting from the death or injury to  
14 any person or damage to any property, including the  
15 personnel and property of Edison, to the extent that  
16 Edison would have been protected had Seller complied  
17 with all of the provisions of this Section 14.

18 15. UNCONTROLLABLE FORCES

19 15.1 Neither Party shall be considered to be in default  
20 in the performance of any of the agreements  
21 contained in this Contract, except for obligations  
22 to pay money, when and to the extent failure of  
23 performance shall be caused by an Uncontrollable  
24 Force.

25 15.2 If either Party because of an Uncontrollable Force  
26 is rendered wholly or partly unable to perform its

ENERGY CAPITAL CORPORATION

1 obligations under this Contract, the Party shall be  
2 excused from whatever performance is affected by the  
3 Uncontrollable Force to the extent so affected  
4 provided that:

5 (1) the nonperforming Party, within two weeks after  
6 the occurrence of the Uncontrollable Force,  
7 gives the other Party written notice describing  
8 the particulars of the occurrence,

9 (2) the suspension of performance is of no greater  
10 scope and of no longer duration than is  
11 required by the Uncontrollable Force,

12 (3) the nonperforming Party uses its best efforts  
13 to remedy its inability to perform (this  
14 subsection shall not require the settlement of  
15 any strike, walkout, lockout or other labor  
16 dispute on terms which, in the sole judgment of  
17 the Party involved in the dispute, are contrary  
18 to its interest. It is understood and agreed  
19 that the settlement of strikes, walkouts,  
20 lockouts or other labor disputes shall be at  
21 the sole discretion of the Party having the  
22 difficulty),

23 (4) when the nonperforming Party is able to resume  
24 performance of its obligations under this  
25 Contract, that Party shall give the other Party  
26 written notice to that effect, and

ENERGY CAPITAL CORPORATION

1 (5) capacity payments during such periods of  
2 Uncontrollable Force on Seller's part shall be  
3 governed by Section 9.1.1.3.

4 15.3 In the event that either Party's ability to perform  
5 cannot be corrected when the Uncontrollable Force is  
6 caused by the actions or inactions of legislative,  
7 judicial or regulatory agencies or other proper  
8 authority, this Contract may be amended to comply  
9 with the legal or regulatory change which caused the  
10 nonperformance.

11 If a loss of Qualifying Facility status occurs due  
12 to an Uncontrollable Force and Seller fails not to  
13 make the changes necessary to maintain its  
14 Qualifying Facility status, the Seller shall  
15 compensate Edison for any economic detriment  
16 incurred by Edison as a result of such failure.

17 16. NONDEDICATION OF FACILITIES

18 Neither Party, by this Contract, dedicates any part of  
19 its facilities involved in this Project to the public or  
20 to the service provided under the Contract, and such  
21 service shall cease upon termination of the Contract.

22 17. PRIORITY OF DOCUMENTS

23 If there is a conflict between this document and any  
24 Appendix, the provisions of this document shall govern.  
25 Each Party shall notify the other immediately upon the  
26 determination of the existence of any such conflict.

18. NOTICES AND CORRESPONDENCE

All notices and correspondence pertaining to this Contract shall be in writing and shall be sufficient if delivered in person or sent by certified mail, postage prepaid, return receipt requested, to Seller as specified in Section 1.1, or to Edison as follows:

Southern California Edison Company  
Post Office Box 800  
Rosemead, California 91770  
Attention: Secretary

All notices sent pursuant to this Section 18 shall be effective when received, and each Party shall be entitled to specify as its proper address any other address in the United States upon written notice to the other Party.

19. PREVIOUS COMMUNICATIONS

This Contract contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this contract, and merges and supersedes all prior agreements, commitments, representations, and discussions between the Parties. No Party shall be bound to any other obligations, conditions, or representations with respect to the subject matter of this Contract.

20. NONWAIVER

None of the provisions of the Contract shall be considered waived by either Party except when such waiver is given in writing. The failure of either Edison or Seller to

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1 insist on any one or more instances upon strict performance  
2 of any of the provisions of the Contract or to take  
3 advantage of any of its rights hereunder shall not be  
4 construed as a waiver of any such provisions or the  
5 relinquishment of any such rights for the future, but the  
6 same shall continue to remain in full force and effect.

7 21. SUCCESSORS AND ASSIGNS

8 Neither Party shall voluntarily assign its rights nor  
9 delegate its duties under this Contract, or any part of  
10 such rights or duties, without the written consent of the  
11 other Party, except in connection with the sale or merger  
12 of a substantial portion of its properties. Any such  
13 assignment or delegation made without such written  
14 consent shall be null and void. Consent for assignment  
15 shall not be withheld unreasonably. Such assignment  
16 shall include, unless otherwise specified therein, all of  
17 Seller's rights to any refunds which might become due  
18 under this Contract.

19 22. EFFECT OF SECTION HEADINGS

20 Section headings appearing in this Agreement are inserted  
21 for convenience only, and shall not be construed as  
22 interpretations of text.

23 23. GOVERNING LAW

24 This Contract shall be interpreted, governed, and construed  
25 under the laws of the State of California as if executed  
26 and to be performed wholly within the State of California.

ENERGY CAPITAL CORPORATION

24. MULTIPLE ORIGINALS

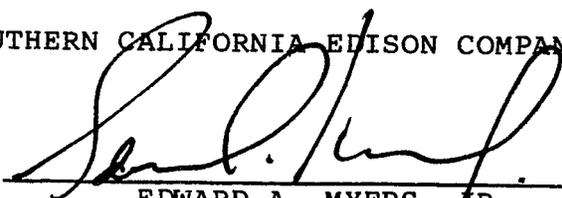
This Contract is executed in two counterparts, each of which shall be deemed an original.

SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this 11<sup>th</sup> day of April, 1985.

SOUTHERN CALIFORNIA EDISON COMPANY

By



EDWARD A. MYERS, JR.  
Vice President

APPROVED AS TO FORM:  
JOHN R. BURY  
Vice President and General Counsel  
By Dianne H. Rorer Attorney  
April 17, 1985

ENERGY CAPITAL CORPORATION

By

Name Anthony Boom  
Title President

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APPENDIX B

FORECAST OF ANNUAL AS-AVAILABLE  
CAPACITY PAYMENT SCHEDULE

Document No. 2346H

ENERGY CAPITAL CORPORATION

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE -

FORECAST OF ANNUAL AS-AVAILABLE CAPACITY<sup>1</sup>

Line No.	Year	As-Available Capacity <sup>2</sup> (\$/kW-year)
1	1985	81
2	1986	87
3	1987	94
4	1988	101
5	1989	109
6	1990	117
7	1991	126
8	1992	148
9	1993	158
10	1994	169
11	1995	180
12	1996	194
13	1997	206
14	1998	221
15	1999	235

<sup>1</sup>This forecast to be used in conjunction with Capacity Payment Option A.

<sup>2</sup>The annual as-available capacity (\$/kW-yr) will be converted to a seasonal time-of-delivery (¢/kWh) value that is consistent with as-available time-of-delivery rates current authorized by the Commission for Avoided As-Available Capacity.

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SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE -

FORECAST OF AS-AVAILABLE CAPACITY<sup>1</sup>

SEASONAL TIME OF DELIVERY

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Line No.	Year	Season	Period	As-Available Capacity <sup>2</sup> (\$/kW-year)
1	1985	Summer	On-Peak	10.080
2			Mid-Peak	0.110
3			Off-Peak	0.050
4		Winter	On-Peak	2.410
5			Mid-Peak	0.540
6			Off-Peak	0.060

<sup>1</sup>This forecast to be used in conjunction with Capacity Payment Option A.

<sup>2</sup>In subsequent years, the annual as-available capacity (\$/kW-yr) will be converted to a seasonal time-of-delivery (¢/kWh) value that is consistent with as-available time-of-delivery rates currently authorized by the Commission for Avoided As-Available Capacity.

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APPENDIX C

*ANNUAL*

~~LEVELIZED~~ FORECAST OF MARGINAL COST OF ENERGY

Document No. 2346H

ENERGY CAPITAL CORPORATION

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

FORECAST OF ANNUAL MARGINAL COST OF ENERGY<sup>1</sup>

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Line No.	Year	Annual Marginal Cost of Energy <sup>2</sup> (¢/kWh)
1	1985	5.7
2	1986	6.0
3	1987	6.4
4	1988	6.9
5	1989	7.6
6	1990	8.1
7	1991	8.6
8	1992	9.3
9	1993	10.1
10	1994	10.9
11	1995	11.8
12	1996	12.6
13	1997	13.6
14	1998	14.6
15	1999	15.6

<sup>1</sup>This forecast to be used in conjunction with Energy Payment Option 1.

<sup>2</sup>The annual energy payments in the table will be converted to seasonal time-of-delivery energy payment rates that are consistent with the time-of-delivery rates currently authorized by the Commission for Avoided Energy Cost Payments.

ENERGY CAPITAL CORPORATION

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

FORECAST OF ANNUAL MARGINAL COST OF ENERGY<sup>1</sup>

SEASONAL TIME OF DELIVERY

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Line No.	Year	Season	Period	Annual Marginal Cost of Energy <sup>2</sup> (¢/kwh)
1	1985	Summer	On-Peak	7.8
2			Mid-Peak	6.0
3			Off-Peak	5.2
4		Winter	On-Peak	7.4
5			Mid-Peak	6.0
6			Off-Peak	5.2
7		Annual		5.7

<sup>1</sup>This forecast to be used in conjunction with Energy Payment Option 1.

<sup>2</sup>In subsequent years, the annual energy payments in the table will be converted to seasonal time-of-delivery energy payment rates that are consistent with the time-of-delivery rates currently authorized by the Commission for Avoided Energy Cost Payments

ENERGY CAPITAL CORPORATION

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APPENDIX D

EDISON RULE NO. 21 - COGENERATION AND  
SMALL POWER PRODUCTION INTERCONNECTION STANDARDS

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APPENDIX E

EDISON RULE NO. 2 - DESCRIPTION OF SERVICE

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