

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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6 SCE STANDARD CONTRACT
7 LONG TERM POWER PURCHASE
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12 POWER PURCHASE CONTRACT

13 BETWEEN

14 SOUTHERN CALIFORNIA EDISON COMPANY

15 AND

16 ENERGY DEVELOPMENT & CONSTRUCTION CORPORATION

17 (KAREN WINDFARM)

18
19 **QF ID NO. 6062**
20

21 **REFER TO THIS CONTRACT**

22
23 **AS: ENERGY DEVELOPMENT &**
24 **CONSTRUCTION CORP. ("EDCC") (KAREN WINDFARM)**

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1. PROJECT SUMMARY

This Contract is entered into between Southern California Edison Company ("Edison") and Energy Development & Construction Corporation ("EDCC"), a Delaware corporation registered to do business in California, acting in its own behalf and in behalf of other owners, if any, as "Project Manager", collectively referred to as "Seller." Seller is willing to construct, own, and operate a Qualifying Facility and sell electric power to Edison, and Edison is willing to purchase electric power delivered by Seller to Edison at the Point of Interconnection pursuant to the terms and conditions set forth as follows:

1.1 All notices shall be sent to Seller at the following address: Energy Development & Construction Corporation
P.O. Box 9020
Palm Springs, CA 92263

1.2 Seller's Generating Facility:

- a. Nameplate Rating: 11,655 kW.
- b. Location: San Gorgonio; Section 10, T3S,
R4E, SBBM
- c. Type (Check One):
 - Cogeneration Facility
 - Small Power Production Facility
- d. Delivery of power to Edison at a nominal 33,000 volts.

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1 e. Seller shall commence construction of the
2 Generating Facility by November 15, 1984.

3 1.3 Edison Customer Service District:

4 Palm Springs

5 36100 Cathedral Canyon

6 Palm Springs, CA 92234

7 1.4 Location of Edison Operating Switching Center:

8 Devers Substation

9 62030 16th Street

10 North Palm Springs, California

11 1.5 Contract Capacity: 0 kW

12 1.5.1 Estimated as-available capacity: 11,655 kW.

13 1.6 Expected annual production: 22,000,000 kWh.

14 1.7 Expected Firm Operation for each generating
15 unit(s): Phase I: December 31, 1984.

16 Phase II: September 30, 1985.

17 1.8 Contract Term: 30 years.

18 1.9 Operating Options pursuant to Section 5: (Check One)

19 Operating Option I. Entire Generator output
20 dedicated to Edison. No electric service or
21 standby service required.

22 Operating Option II. Entire Generator output
23 dedicated to Edison with separate electric
24 service required.

25 a. Electric service Tariff Schedule No. GS-1
26 pursuant to Section 10.2.

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1 b. Contract demand: _____ kW.

2 _____ Operating Option III. Excess generator output
3 dedicated to Edison with Seller serving own
4 load.

5 a. Electric service Tariff Schedule No. _____
6 pursuant to Section 10.2.

7 b. Contract demand: _____ kW.

8 c. Standby Demand: _____ kW pursuant to
9 Section 10.2.

10 d. Maximum electrical requirements
11 expected: _____ kW.

12 e. Standby electric service Tariff Schedule
13 No. _____ pursuant to Section 10.2.

14 f. Minimum monthly charge for standby
15 service: _____.

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

18 - Added Facilities Basis (Appendix A.1)

19 _____ - Capital Contribution Basis (Appendix A.2)

20 _____ - Seller Owned and Operated Basis (Appendix A.3)

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

23 Option A - As-available capacity based upon:

24 _____ Standard Offer No. 1 Capacity Payment
25 Schedule, or
26 //

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1 Forecast of Annual As-Available Capacity
2 Payment Schedule. The as-available
3 capacity price (first year):
4 \$76/kW-yr. (Appendix B)

5 Option B - Firm Capacity (check one)

6 Standard Offer No. 2 Capacity Payment
7 Schedule in effect at time of Contract
8 execution.

9 Standard Offer No. 2 Capacity Payment
10 Schedule in effect at time of Firm
11 Operation of first generating unit.

12 Contract Capacity Price: \$____/kW-yr.
13 (Firm Capacity).

14 1.12 The Energy Payment Option selected by Seller
15 pursuant to Section 9.2 shall be: (Check One)

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

19 Option 2 - Levelized Forecast of Marginal Cost
20 of Energy in effect at date of execution of
21 this Contract. Levelized Forecast for the
22 expected date of Firm Operation is ____¢/kWh.
23 If Seller's Generating Facility is an
24 oil/natural gas fueled cogenerator, Seller may
25 not select Option 2.

26 //

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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 ___ %.
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 ___ Option 3 - Incremental Energy Rate. Seller may
20 select:

21 ___ Forecast of Incremental Energy Rate in
22 effect at date of execution of this
23 Contract (Appendix D),

24 or

25 ___ A range in increments of 100 Btu/kWh above
26 and below the forecast of incremental

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energy rates for each year during the
First Period of the Contract Term as
follows:

Year	Range	Year	Range	Year	Range
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

1.13 Metering Location (Check one)

Seller elects metering location pursuant to
Section 8 as follows:

Edison's side of the Interconnection Facilities
 Seller's side of the Interconnection
Facilities. Loss compensation factor is equal
to _____, pursuant to Section 8.3.

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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.1: Interconnection Facilities Agreement -- Added Facilities Basis

2.3 Appendix A.2: Interconnection Facilities Agreement -- Capital Contribution Basis

2.4 Appendix A.3: Interconnection Facilities Agreement -- Seller Owned and Operated Basis

2.5 Appendix B: Forecast of Annual As Available Capacity Payment Schedule

2.6 Appendix C: Forecast of Annual Marginal Cost of Energy

2.7 Appendix D: Rule No. 21 Cogeneration and Small Power Production Interconnection Standards and Schedule No. TOU-8 General Service-Large.

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1 2.8 Capacity Payment Schedule(s): Published capacity
2 payment schedule(s) as authorized by the Commission
3 for as-available or firm capacity.

4 2.9 Cogeneration Facility: The facility and equipment
5 which sequentially generate thermal and electrical
6 energy as defined in Title 18, Code of Federal
7 Regulations, Section 292.202.

8 2.10 Commission: The Public Utilities Commission of the
9 State of California.

10 2.11 Contract: This document and Appendices, as amended
11 from time to time.

12 2.12 Contract Capacity: The electric power producing
13 capability of the Generating Facility which is
14 committed to Edison.

15 2.13 Contract Capacity Price: The capacity purchase
16 price from the Capacity Payment Schedule approved by
17 the Commission for Capacity Payment Option B.

18 2.14 Contract Term: Period in years commencing with date
19 of Firm Operation for the first generating unit(s)
20 during which Edison shall purchase electric power
21 from Seller.

22 2.15 Current Capacity Price: The \$/kW-yr capacity price
23 provided in the Capacity Payment Schedule determined
24 by the year of termination or reduction of Contract
25 Capacity and the number of years from such

26 //

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1 termination or reduction to the expiration of the
2 Contract Term for Capacity Payment Option B.

3 2.16 Edison: The Southern California Edison Company.

4 2.17 Edison Electric System Integrity: The state of
5 operation of Edison's electric system in a manner
6 which is deemed to minimize the risk of injury to
7 persons and/or property and enables Edison to
8 provide adequate and reliable electric service to
9 its customers.

10 2.18 Emergency: A condition or situation which in
11 Edison's sole judgment affects Edison Electric
12 System Integrity.

13 2.19 Energy: Kilowatthours generated by the Generating
14 Facility which are purchased by Edison at the Point
15 of Interconnection.

16 2.20 Firm Operation: The date agreed on by the Parties
17 on which each generating unit(s) of the Generating
18 Facility is determined to be a reliable source of
19 generation and on which such unit can be reasonably
20 expected to operate continuously at its effective
21 rating (expressed in kW).

22 2.21 First Period: The period of the Contract Term
23 specified in Section 3.1.

24 2.22 Forced Outage: Any outage other than a scheduled
25 outage of the Generating Facility that fully or
26 partially curtails its electrical output.

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1 2.23 Generating Facility: All of Seller's generators,
2 together with all protective and other associated
3 equipment and improvements, necessary to produce
4 electrical power at Seller's Facility excluding
5 associated land, land rights, and interests in land.

6 2.24 Generator: The generator(s) and associated prime
7 mover(s), which are a part of the Generating
8 Facility.

9 2.25 Incremental Heat Rate(s): Those Edison system
10 values expressed in Btu/kWh by time of delivery for
11 the Summer and Winter Periods which are authorized
12 and adopted by the Commission to be used in the
13 calculation of Edison's published avoided cost of
14 energy.

15 2.26 Interconnection Facilities: Those protection,
16 metering, electric line(s), and other facilities
17 required in Edison's sole judgment to permit an
18 electrical interface between Edison's system and the
19 Generating Facility in accordance with Edison's
20 Tariff Rule No. 21 titled Cogeneration and Small
21 Power Production Interconnection Standards filed
22 with the Commission.

23 2.27 Interconnection Facilities Agreement: That document
24 which is specified in Section 1.10 and is attached
25 hereto.

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1 2.28 KVAR: Reactive kilovolt-ampere, a unit of measure
2 of reactive power.

3 2.29 Operate: To provide the engineering, purchasing,
4 repair, supervision, training, inspection, testing,
5 protection, operation, use, management, replacement,
6 retirement, reconstruction, and maintenance of and
7 for the Generating Facility in accordance with
8 applicable California utility standards and good
9 engineering practices.

10 2.30 Operating Representatives: Individual(s) appointed
11 by each Party for the purpose of securing effective
12 cooperation and interchange of information between
13 the Parties in connection with administration and
14 technical matters related to this Contract.

15 2.31 Parties: Edison and Seller.

16 2.32 Party: Edison or Seller.

17 2.33 Peak Months: Those months which the Edison annual
18 system peak demand could occur. Currently, but
19 subject to change with notice, the peak months for
20 the Edison system are June, July, August, and
21 September.

22 2.34 Point of Interconnection: The point where the
23 transfer of electrical energy between Edison and
24 Seller takes place.

25 2.35 Project: The Generating Facility and
26 Interconnection Facilities required to permit

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1 operation of Seller's Generator in parallel with
2 Edison's electric system.

3 2.36 Project Manager: The entity responsible for
4 operating and maintaining the Project on behalf of
5 the owner(s) thereof.

6 2.37 Protective Apparatus: That equipment and apparatus
7 installed by Seller and/or Edison pursuant to
8 Section 4.2.

9 2.38 Qualifying Facility: Cogeneration or Small Power
10 Production Facility which meets the criteria as
11 defined in Title 18, Code of Federal Regulations,
12 Section 292.201 through 292.207.

13 2.39 Second Period: The period of the Contract Term
14 specified in Section 3.2.

15 2.40 Seller: The Party identified in Section 1.0.

16 2.41 Seller's Facility: The premises and equipment of
17 Seller located as specified in Section 1.2.

18 2.42 Small Power Production Facility: The facilities and
19 equipment which use biomass, waste, or renewable
20 resources, including wind, solar, geothermal, and
21 water, to produce electrical energy as defined in
22 Title 18, Code of Federal Regulations,
23 Section 292.201 through 292.207.

24 2.43 Standby Demand: Seller's electrical load
25 requirement that Edison is expected to serve when
26 Seller's Generating Facility is not available.

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1 3. TERM

2 This Contract shall be effective upon execution by the
3 Parties and shall remain effective until either Party
4 gives 90 days prior written notice of termination to the
5 other Party, except that such notice of termination shall
6 not be effective to terminate this Contract prior to
7 expiration of the Contract Term specified in Section 1.8.

8 3.1 The First Period of the Contract Term shall commence
9 upon date of Firm Operation but not later than five
10 years from the date of execution of this Contract.

11 a. If the Contract Term specified in Section 1.8
12 is 15 years, the First Period of the Contract
13 Term shall be for five years.

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

17 c. For Energy Payment Option 3 only, the First
18 Period of the Contract Term shall be 15 years,
19 but shall not extend beyond 1998.

20 3.2 The Second Period of the Contract Term shall
21 commence upon expiration of the First Period and
22 shall continue for the remainder of the Contract
23 Term.

24 4. GENERATING FACILITY

25 4.1 Ownership

26 The Generating Facility shall be owned by Seller.

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1 4.1.1 If the identity of the Project Manager
2 changes for any reason, Edison shall have
3 the right to approve such new Project
4 Manager. Such approval shall be withheld
5 only if the assets, financial condition, or
6 operating capability of the proposed
7 replacement Project Manager gives Edison
8 reasonable cause to doubt such entity's
9 ability to adequately perform the duties of
10 the Project Manager. To facilitate such
11 approval, Edison may request Seller to
12 furnish any material reasonably necessary
13 for Edison to prudently approve a change in
14 Project Manager. Therefore, except as in
15 conflict with law, any financing documents,
16 partnership agreements, or management
17 contracts which specify the Project
18 Manager's role shall specifically provide
19 for Edison's right of approval of any new
20 Project Manager. Such change in Project
21 Manager and the approval thereof by Edison
22 shall not operate to reduce the rights and
23 obligations of the project owners under this
24 Agreement.

25 4.1.2 The Project Manager shall have the authority
26 to contract for the owners of the Project on

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1 all matters pertaining to the implementation
2 of this Agreement. The Project Manager
3 shall provide Edison with satisfactory
4 evidence of its authority to act on behalf
5 of the owners of the Project. Such evidence
6 shall include, but not be limited to,
7 authenticated copies of any partnership
8 agreement(s), fictitious business name
9 statement(s), certificate(s) of partnership,
10 and management agreement(s). The Project
11 Manager shall also provide Edison with
12 authenticated copies of the Agreement(s), if
13 any, appointing the Project Manager for
14 purposes of this Agreement.

15 4.1.3 Edison's obligations to purchase capacity
16 and energy shall be contingent upon the
17 compliance by Seller with the terms and
18 conditions of this Section 4.1.

19 4.2 Design

- 20 4.2.1 Seller, at no cost to Edison, shall:
- 21 a. Design the Generating Facility.
 - 22 b. Acquire all permits and other approvals
23 necessary for the construction,
24 operation, and maintenance of the
25 Generating Facility.

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- 1 c. Complete all environmental impact
2 studies necessary for the construction,
3 operation, and maintenance of the
4 Generating Facility.
- 5 d. Furnish and install the relays, meters,
6 power circuit breakers, synchronizer,
7 and other control and Protective
8 Apparatus as shall be agreed to by the
9 Parties as being necessary for proper
10 and safe operation of the Project in
11 parallel with Edison's electric system.

12 4.2.2 Edison shall have the right to:

- 13 a. Review the design of the Generating
14 Facility's electrical system and the
15 Seller's Interconnection Facilities.
16 Such review may include, but not be
17 limited to, the Generator, governor,
18 excitation system, synchronizing
19 equipment, protective relays, and
20 neutral grounding.

21 The Seller shall be notified in writing
22 of the outcome of the Edison review
23 within 30 days of the receipt of all
24 specifications for both the Generating
25 Facility and the Interconnection
26 Facilities. Any flaws perceived by

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1 Edison in the design shall be described
2 in Edison's written notice.

3 b. Request modifications to the design of
4 the Generating Facility's electrical
5 system and the Seller's Interconnection
6 Facilities. Such modifications shall be
7 required if necessary to maintain Edison
8 Electric System Integrity when in
9 parallel with the Edison electric system.

10 4.2.3 If Seller's Generating Facility includes an
11 induction-type generator(s), Seller shall
12 provide individual power factor correction
13 capacitors for each such generator. Such
14 capacitors shall be switched on and off
15 simultaneously with each of the associated
16 induction-type generator(s) of the
17 Generating Facility. The KVAR rating of
18 such capacitors shall be the highest
19 standard value which will not exceed such
20 generators no-load KVAR requirement. Seller
21 shall not install power factor correction in
22 excess of that required by this Section
23 unless agreed to in writing by the Parties.

24 4.2.4 Seller shall not locate any part of a
25 wind-driven generating unit of the
26 Generating Facility within a distance

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1 1.25 times the height of a wind turbine
2 structure of an existing electric utility
3 33 kV, 66 kV, or 115 kV transmission line
4 right of way or within three rotor blade
5 diameters of an existing electric utility
6 220 kV or 500 kV transmission line right of
7 way or any proposed transmission line right
8 of way of which Edison is pursuing
9 regulatory approval for construction.

10 4.2.5 If Seller's Generating Facility is a small
11 hydro project, the Contract Capacity in
12 Section 1.5 shall be based on the average of
13 the 5 lowest years of stream flow taken from
14 a study covering a minimum 50 years of
15 continuous data. The Parties may agree upon
16 a shorter period if data for a 50-year
17 period is not obtainable.

18 4.3 Construction

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

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

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

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

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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

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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 9.1.2.6.

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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
10 Facility to Edison's Operating
11 Representatives upon 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 longer
23 on a consecutive or nonconsecutive basis.
24 b. Seller may accumulate unused maintenance
25 hours on a year-to-year basis up to a
26 maximum of 1,080 hours (45 days). This

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1 accrued time must be used consecutively
2 and only for major overhauls.

3 4.6 Any review by Edison of the design, construction,
4 operation, or maintenance of the Project is solely
5 for the information of Edison. By making such
6 review, Edison makes no representation as to the
7 economic and technical feasibility, operational
8 capability, or reliability of the Project. Seller
9 shall in no way represent to any third party that
10 any such review by Edison of the Project, including,
11 but not limited to, any review of the design,
12 construction, operation, or maintenance of the
13 Project by Edison, is a representation by Edison as
14 to the economic and technical feasibility,
15 operational capability, or reliability of said
16 facilities. Seller is solely responsible for
17 economic and technical feasibility, operational
18 capability, and reliability thereof.

19 5. OPERATING OPTIONS

20 5.1 Seller shall elect in Section 1.9 to Operate its
21 Generating Facility in parallel with Edison's
22 electric system pursuant to one of the following
23 options:

- 24 a. Operating Option I: Seller dedicates the
25 entire Generator output to Edison with no
26 electrical service required from Edison.

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1 b. Operating Option II: Seller dedicates the
2 entire Generator output to Edison with
3 electrical service required from Edison.

4 c. Operating Option III: Seller dedicates to
5 Edison only that portion of the Generator
6 output in excess of Seller's electrical service
7 requirements. As much as practicable, Seller
8 intends to serve its electrical requirements
9 from the Generator output and will require
10 electrical standby from Edison as designated in
11 Section 1.9.

12 5.2 After expiration of the First Period of the Contract
13 Term, Seller may change the Operating Option, but
14 not more than once per year upon at least 90 days
15 prior written notice to Edison. A reduction in
16 Contract Capacity as a result of a change in
17 operating options shall be subject to
18 Section 9.1.2.6. Edison shall not be required to
19 remove or reserve capacity of Interconnection
20 Facilities made idle by a change in operating
21 options. Edison may dedicate any such idle
22 Interconnection Facilities at any time to serve
23 other customers or to interconnect with other
24 electric power sources. Edison shall process
25 requests for changes of operating option in the
26 chronological order received.

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1 5.2.1 When the Seller wishes to reserve
2 Interconnection Facilities paid for by the
3 Seller but idled by a change in operation
4 option, Edison shall impose a special
5 facilities charge related to the operation
6 and maintenance of the Interconnection
7 Facility. When the Seller no longer needs
8 said facilities for which it has paid, the
9 Seller shall receive credit for the net
10 salvage value of the Interconnection
11 Facilities dedicated to Edison's use. If
12 Edison is able to make use of these
13 facilities to serve other customers, the
14 Seller shall receive the fair market value
15 of the facilities determined as of the date
16 the Seller either decides no longer to use
17 said facilities or fails to pay the required
18 maintenance fee.

19 6. INTERCONNECTION FACILITIES

20 6.1 The Parties shall execute an Interconnection
21 Facilities Agreement selected by Seller in
22 Section 1.10, covering the design, installation,
23 operation and maintenance of the Interconnection
24 Facilities required in Edison's sole judgment, to
25 permit an electrical interface between the Parties
26 pursuant to Edison's Tariff Rule No. 21.

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1 6.2 The cost for the Interconnection Facilities set
2 forth in the appendices specified in Section 1.10,
3 are estimates only for Seller's information and will
4 be adjusted to reflect recorded costs after
5 installation is complete; except that, upon Seller's
6 written request to Edison, Edison shall provide a
7 binding estimate which shall be the basis for the
8 Interconnection Facilities cost in the Interconnec-
9 tion Facilities Agreement executed by the Parties.

10 6.3 The nature of the Interconnection Facilities and the
11 Point of Interconnection shall be set forth either
12 by equipment lists or appropriate one-line diagrams
13 and shall be attached to the appropriate appendix
14 specified in Section 1.10.

15 6.4 The design, installation, operation, maintenance,
16 and modifications of the Interconnection Facilities
17 shall be at Seller's expense.

18 6.5 Seller shall not commence parallel operation of the
19 Generating Facility until written approval for
20 operation of the Interconnection Facilities has been
21 received from Edison. The Seller shall notify
22 Edison at least forty-five days prior to the initial
23 energizing of the Point of Interconnection. Edison
24 shall have the right to inspect the Interconnection
25 Facilities within thirty days of receipt of such
26 notice. If the facilities do not pass Edison's

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1 inspection, Edison shall provide in writing the
2 reasons for this failure within five days of the
3 inspection.

4 6.6 Seller, at no cost to Edison, shall acquire all
5 permits and approvals and complete all environmental
6 impact studies necessary for the design,
7 installation, operation, and maintenance of the
8 Interconnection Facilities.

9 7. ELECTRIC LINES AND ASSOCIATED EASEMENTS

10 7.1 Edison shall, as it deems necessary or desirable,
11 build electric lines, facilities and other
12 equipment, both overhead and underground, on and off
13 Seller's Facility, for the purpose of effecting the
14 agreements contained in this Contract. The physical
15 location of such electric lines, facilities and
16 other equipment on Seller's Facility shall be
17 determined by agreement of the Parties.

18 7.2 Seller shall reimburse Edison for the cost of
19 acquiring property rights off Sellers's Facility
20 required by Edison to meet its obligations under
21 this Contract.

22 7.3 Seller shall grant to Edison, without cost to
23 Edison, and by an instrument of conveyance,
24 acceptable to Edison, rights of way, easements and
25 other property interests necessary to construct,
26 reconstruct, use, maintain, alter, add to, enlarge,

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

8 7.4 The electric lines, facilities, or other equipment
9 referred to in this Section 7 installed by Edison on
10 or off Seller's Facility shall be and remain the
11 property of Edison.

12 7.5 Edison shall have no obligation to Seller for any
13 delay or cancellation due to inability to acquire a
14 satisfactory right of way, easements, or other
15 property interests.

16 8. METERING

17 8.1 All meters and equipment used for the measurement of
18 electric power for determining Edison's payments to
19 Seller pursuant to this Contract shall be provided,
20 owned, and maintained by Edison at Seller's expense
21 in accordance with Edison's Tariff Rule No. 21.

22 8.2 All meters and equipment used for billing Seller for
23 electric service provided to Seller by Edison under
24 Operating Options II or III shall be provided,
25 owned, and maintained by Edison at Edison's expense
26 in accordance with Edison's Tariff Rule No. 16.

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1 8.3 The meters and equipment used for measuring the
2 Energy sold to Edison shall be located on the side
3 of the Interconnection Facilities as specified by
4 Seller in Section 1.13. If the metering equipment
5 is located on Seller's side of the Interconnection
6 Facilities, then a loss compensation factor agreed
7 upon by the Parties shall be applied. At the
8 written request of the Seller, and at Seller's sole
9 expense, Edison shall measure actual transformer
10 losses. If the actual measured value differs from
11 the agreed-upon loss compensation factor, the actual
12 value shall be applied prospectively. If the meters
13 are placed on Edison's side of the Interconnection
14 Facilities, service shall be provided at the
15 available transformer high-side voltage.

16 8.4 For purposes of monitoring the Generator operation
17 and the determination of standby charges, Edison
18 shall have the right to require, at Seller's
19 expense, the installation of generation metering.
20 Edison may also require the installation of
21 telemetering equipment at Seller's expense for
22 Generating Facilities equal to or greater than
23 10 MW. Edison may require the installation of
24 telemetering equipment at Edison's expense for
25 Generating Facilities less than 10 MW.

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1 8.5 Edison's meters shall be sealed and the seals shall
2 be broken only when the meters are to be inspected,
3 tested, or adjusted by Edison. Seller shall be
4 given reasonable notice of testing and have the
5 right to have its Operating Representative present
6 on such occasions.

7 8.6 Edison's meters installed pursuant to this Contract
8 shall be tested by Edison, at Edison's expense, at
9 least once each year and at any reasonable time upon
10 request by either Party, at the requesting Party's
11 expense. If Seller makes such request, Seller shall
12 reimburse said expense to Edison within thirty days
13 after presentation of a bill therefor.

14 8.7 Metering equipment found to be inaccurate shall be
15 repaired, adjusted, or replaced by Edison such that
16 the metering accuracy of said equipment shall be
17 within two percent. If metering equipment
18 inaccuracy exceeds two percent, the correct amount
19 of Energy and Contract Capacity delivered during the
20 period of said inaccuracy shall be estimated by
21 Edison and agreed upon by the Parties.

22 9. POWER PURCHASE PROVISIONS

23 Prior to the date of Firm Operation, Seller shall be paid
24 for Energy only pursuant to Edison's published avoided
25 cost of energy based on Edison's full avoided operating
26 cost as periodically updated and accepted by the

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

13 9.1 Capacity Payments

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

23 9.1.1 Capacity Payment Option A -- As Available
24 Capacity.

25 If Seller selects Capacity Payment Option A,
26 Seller shall be paid a monthly capacity

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1 payment calculated pursuant to the following
2 formula:

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

4 Where A = kWh purchased by Edison during
5 on-peak periods defined in
6 Edison's Tariff Schedule
7 No. TOU-8.

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

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

16 D = The appropriate time
17 differentiated capacity price
18 from either the Standard Offer
19 No. 1 Capacity Payment Schedule
20 or Forecast of Annual
21 As-Available Capacity Payment
22 Schedule as specified by Seller
23 in Section 1.11.

24 9.1.1.1 If Seller specifies the Standard
25 Offer No. 1 Capacity Payment
26 Schedule in Section 1.11, then the

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1 formula set forth in Section 9.1.1
2 shall be computed with D equal to
3 the appropriate time differentiated
4 capacity price from the Standard
5 Offer No. 1 Capacity Payment
6 Schedule for the Contract Term.

7 9.1.1.2 If Seller specifies the Forecast of
8 Annual As-Available Capacity Payment
9 Schedule in Section 1.11, the
10 formula set forth in Section 9.1.1
11 shall be computed as follows:

- 12 a. During the First Period of the
13 Contract Term, D shall equal the
14 appropriate time differentiated
15 capacity price from the Forecast
16 of Annual As-Available Capacity
17 Payment Schedule.
- 18 b. During the Second Period of the
19 Contract Term, the formula shall
20 be computed with D equal to the
21 appropriate time differentiated
22 capacity price from Standard
23 Offer No. 1 Capacity Payment
24 Schedule, but not less than the
25 greater of (i) the appropriate
26 time differentiated capacity

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1 price from the Forecast of
2 Annual As-Available Capacity
3 Payment Schedule for the last
4 year of the First Period, or
5 (ii) the appropriate time
6 differentiated capacity price
7 from the Standard Offer No. 1
8 Capacity Payment Schedule for
9 the first year of the Second
10 Period.

11 9.1.2 Capacity Payment Option B -- Firm Capacity
12 Purchase

13 If Seller selects Capacity Payment Option B,
14 Seller shall provide to Edison for the
15 Contract Term the Contract Capacity
16 specified in Section 1.5, or as adjusted
17 pursuant to Section 9.1.2.7, and Seller
18 shall be paid as follows:

19 9.1.2.1 If Seller meets the performance
20 requirements set forth in
21 Section 9.1.2.2, Seller shall be
22 paid a Monthly Capacity Payment,
23 beginning from the date of Firm
24 Operation equal to the sum of the
25 on-peak, mid-peak, and off-peak
26 Capacity Period Payments. Each

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1 capacity period payment is calculated
2 pursuant to the following formula:

3 MONTHLY PERIOD CAPACITY PAYMENT = A x B x C x D

4 Where A = Contract Capacity Price
5 specified in Section 1.11 based
6 on the Standard Offer No. 2
7 Capacity Payment Schedule as
8 approved by the Commission and
9 in effect on the date of the
10 execution of this Contract.

11 B = Conversion factors to convert
12 annual capacity prices to
13 monthly payments by time of
14 delivery as specified in
15 Standard Offer No. 2 Capacity
16 Payment Schedule and subject to
17 periodic modifications as
18 approved by the Commission.

19 C = Contract Capacity specified in
20 Section 1.5.

21 D = Period Performance Factor, not
22 to exceed 1.0, calculated as
23 follows:

24 //

25 //

26 //

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1 Period kWh purchased by Edison
2 limited by the level of Contract
3 Capacity
4 0.8 x Contract Capacity x (Period
5 Hours minus Maintenance Hours
6 Allowed in Section 4.5.)

9.1.2.2 Performance Requirements

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

- 20 a. If Seller fails to meet the
21 requirements specified in
22 Section 9.1.2.2, Seller, in
23 Edison's sole discretion, may be
24 placed on probation for a period
25 not to exceed 15 months. If
26 Seller fails to meet the
requirements specified in

//

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1 Section 9.1.2.2 during the
2 probationary period, Edison may
3 derate the Contract Capacity to
4 the greater of the capacity
5 actually delivered during the
6 probationary period, or the
7 capacity at which Seller can
8 reasonably meet such
9 requirements. A reduction in
10 Contract Capacity as a result of
11 this Section 9.1.2.2 shall be
12 subject to Section 9.1.2.6.

13 b. If Seller fails to meet the
14 requirements set forth in
15 Section 9.1.2.2 due to a Forced
16 Outage on the Edison system or a
17 request to reduce or curtail
18 delivery under Section 9.4,
19 Edison shall continue Monthly
20 Capacity Payments pursuant to
21 Capacity Payment Option B. The
22 Contract Capacity curtailed
23 shall be treated the same as
24 scheduled maintenance outages in
25 the calculation of the Monthly
26 Capacity Payment.

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1 9.1.2.3 If Seller is unable to provide
2 Contract Capacity due to
3 Uncontrollable Forces, Edison shall
4 continue Monthly Capacity Payments
5 for 90 days from the occurrence of
6 the Uncontrollable Force. Monthly
7 Capacity Payments payable during a
8 period of interruption or reduction
9 by reason of an Uncontrollable Force
10 shall be treated the same as
11 scheduled maintenance outages.

12 9.1.2.4 Hydroelectric facilities which have
13 their Contract Capacity based on the
14 five dry-year average, shall not
15 have their Contract Capacity derated
16 when failure to meet the requirements
17 set forth in Section 9.1.2.2 is due
18 solely to the occurrence of a dry
19 year which is drier than the five
20 dry-year average.

21 9.1.2.5 Capacity Bonus Payment

22 For Capacity Payment Option B,
23 Seller may receive a Capacity Bonus
24 Payment as follows:

- 25 a. Bonus During Peak Months -- For
26 a Peak Month, Seller shall

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1 receive a Capacity Bonus Payment
2 if (i) the requirements set
3 forth in Section 9.1.2.2 have
4 been met, and (ii) the on-peak
5 capacity factor exceeds 85%.

6 b. Bonus During Non-Peak
7 Months -- For a non-peak month,
8 Seller shall receive a Capacity
9 Bonus Payment if (i) the
10 requirements set forth in
11 Section 9.1.2.2 have been met,
12 (ii) the on-peak capacity factor
13 for each Peak Month during the
14 year was at least 85%, and
15 (iii) the on-peak capacity
16 factor for the non-peak month
17 exceeds 85%.

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

21 CAPACITY BONUS PAYMENT = A x B x C x D

22 Where A = (1.2 x On-Peak Capacity Factor) - 1.02

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

25 //

26 //

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1 Period kWh purchased by Edison limited
2 by the level of Contract Capacity
3 (Contract Capacity) x (Period Hours
4 minus Maintenance Hours Allowed in
5 Section 4.5)

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

9 C = 1/12

10 D = Contract Capacity specified in
11 Section 1.5

12 d. When Seller is entitled to
13 receive a Capacity Bonus
14 Payment, the Monthly Capacity
15 Payment shall be the sum of the
16 Monthly Capacity Payment
17 pursuant to Section 9.1.2.1 and
18 the Monthly Capacity Bonus
19 Payment pursuant to this Section.

20 e. For Capacity Payment Option B,
21 Seller shall be paid for
22 capacity in excess of Contract
23 Capacity based on the
24 as-available capacity price in
25 Standard Offer No. 1 Capacity
26 Payment Schedule, as updated and
 approved by the Commission.
 Seller shall not receive any

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1 as-available capacity payment in
2 excess of Contract Capacity if
3 Seller's Generating Facility is
4 a small hydro project.

5 9.1.2.6 Capacity Reduction

6 a. Seller may reduce the Contract
7 Capacity specified in
8 Section 1.5, provided that
9 Seller gives Edison prior
10 written notice for a period
11 determined by the amount of
12 Contract Capacity reduced as
13 follows:

14 <u>Amount of Contract</u>	<u>Length of</u>
15 <u>Capacity Reduced</u>	<u>Notice Required</u>
16 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

17
18 b. Subject to Section 10.4, Seller
19 shall refund to Edison with
20 interest at the current
21 published Federal Reserve Board
22 three months prime commercial
23 paper rate an amount equal to
24 the difference between (i) the
25 accumulated Monthly Capacity
26 Payments paid by Edison pursuant

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1 to Capacity Payment Option B up
2 to the time the reduction notice
3 is received by Edison, and
4 (ii) the total capacity payments
5 which Edison would have paid if
6 based on the Adjusted Capacity
7 Price.

8 c. From the date the reduction
9 notice is received to the date
10 of actual capacity reduction,
11 Edison shall make capacity
12 payments based on the Adjusted
13 Capacity Price for the amount of
14 Contract Capacity being reduced.

15 d. Seller may reduce Contract
16 Capacity without the notice
17 prescribed in Section 9.1.2.6(a),
18 provided that Seller shall
19 refund to Edison the amount
20 specified in Section 9.1.2.6(b)
21 and an amount equal to: (i) the
22 amount of Contract Capacity
23 being reduced, times (ii) the
24 difference between the Current
25 Capacity Price and the Contract
26 Capacity Price, times (iii) the

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1 number of years and fractions
2 thereof (not less than one year)
3 by which the Seller has been
4 deficient in giving prescribed
5 notice. If the Current Capacity
6 Price is less than the Contract
7 Capacity Price, only payment
8 under Section 9.1.2.6(b) shall
9 be due to Edison.

10 9.1.2.7 Adjustment to Contract Capacity

11 The Parties may agree in writing at
12 any time to adjust the Contract
13 Capacity. Seller may reduce the
14 Contract Capacity pursuant to
15 Section 9.1.2.6. Seller may increase
16 the Contract Capacity with Edison's
17 approval and thereafter receive
18 payment for the increased capacity
19 in accordance with the Contract
20 Capacity Price for the Capacity
21 Payment Option selected by Seller
22 for the remaining Contract Term.

23 9.2 Energy Payments - First Period

24 During the First Period of the Contract Term, Seller
25 shall be paid a Monthly Energy Payment for the
26 Energy delivered by the Seller to Edison at the

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1 Point of Interconnection pursuant to the Energy
2 Payment Option selected by Seller in Section 1.12,
3 as follows. (Data used to derive Edison's Energy
4 payments for the First Period will be made available
5 to the Seller, to the extent specified by Seller,
6 upon request.)

7 9.2.1 Energy Payment Option 1 -- Forecast of
8 Annual Marginal Cost of Energy.

9 If Seller selects Energy Payment Option 1,
10 then during the First Period of the Contract
11 Term, Seller shall be paid a Monthly Energy
12 Payment for Energy delivered by Seller and
13 purchased by Edison during each month in the
14 First Period of the Contract Term pursuant
15 to the following formula:

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

17 Where A = kWh purchased by Edison during
18 on-peak periods defined in
19 Edison's Tariff Schedule
20 No. TOU-8.

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

25 C = kWh purchased by Edison during
26 off-peak periods defined in

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1 Edison's Tariff Schedule

2 No. TOU-8.

3 D = The sum of:

4 (i) the appropriate time
5 differentiated energy price from
6 the Forecast of Annual Marginal
7 Cost of Energy, multiplied by
8 the decimal equivalent of the
9 percentage of the forecast
10 specified in Section 1.12, and
11 (ii) the appropriate time
12 differentiated energy price from
13 Edison's published avoided cost
14 of energy multiplied by the
15 decimal equivalent of the
16 percentage of the published
17 energy price specified in
18 Section 1.12.

19 9.2.2 Energy Payment Option 2 -- Levelized

20 Forecast of Marginal Cost of Energy.

21 If Seller selects Energy Payment Option 2,
22 then during the First Period of the Contract
23 Term, Seller shall be paid a Monthly Energy
24 Payment for Energy delivered by Seller and
25 purchased by Edison each month during the

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1 First Period of the Contract Term pursuant
2 to the following formula:

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

4 Where A = kWh purchased by Edison during
5 on-peak periods defined in
6 Edison's Tariff Schedule
7 No. TOU-8.

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

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

16 D = The sum of:
17 (i) the appropriate time
18 differentiated energy price from
19 the Levelized Forecast of
20 Marginal Cost of Energy, for the
21 First Period of the Contract
22 Term multiplied by the decimal
23 equivalent of the percentage of
24 the levelized forecast specified
25 in Section 1.12, and

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1 (ii) the appropriate time
2 differentiated energy price from
3 Edison's published avoided cost
4 of energy multiplied by the
5 decimal equivalent of the
6 percentage of the published
7 energy price specified in
8 Section 1.12.

9 9.2.2.1 Performance Requirement for Energy
10 Payment Option 2

11 During the First Period when the
12 annual forecast referred to in
13 Section 9.2.1 is greater than the
14 levelized forecast referred to in
15 Section 9.2.2, Seller shall deliver
16 to Edison at least 70 percent of the
17 average annual kWh delivered to
18 Edison during those previous periods
19 when the levelized forecast referred
20 to in Section 9.2.2 is greater than
21 the annual forecast referred to in
22 Section 9.2.1 as resource conditions
23 permit for solar, wind, and hydro
24 Generating Facilities and excluding
25 uncontrollable forces. If Seller does
26 not meet the performance requirements

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1 of this Section 9.2.2.1, Seller
2 shall be subject to Section 9.5.

3 9.2.3 Energy Payment Option 3 - Forecast of
4 Incremental Energy Rate (IER)

5 If Seller selects Energy Payment Option 3,
6 Seller shall be paid a Monthly Energy
7 Payment for Energy delivered by Seller and
8 purchased by Edison each month during the
9 First Period of the Contract Term based on
10 the Forecast of Incremental Energy Rates
11 authorized by the Commission as specified in
12 Section 1.12. The Monthly Energy Payment
13 for Energy delivered by Seller and purchased
14 by Edison shall be calculated pursuant to
15 the following formula:

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

17 Where A = kWh purchased by Edison during
18 on-peak periods defined in
19 Edison's Tariff Schedule
20 No. TOU-8.

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

25 C = kWh purchased by Edison during
26 off-peak periods defined in

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1 Edison's Tariff Schedule

2 No. TOU-8.

3 D = appropriate time differentiated
4 energy price equal to:

5 $D = (i + ii + iii) \times iv$

6 Where (i) = the proportion of time expressed
7 in hours oil is expected to be
8 the avoided fuel.

9 x IER, converted to the
10 appropriate time of delivery for
11 Winter/Summer Periods, expressed
12 in Btu/kWh

13 x Price of boiler oil fuel,
14 expressed in \$/million Btu used
15 in Edison's published avoided
16 cost of energy

17 (ii) = The proportion of time expressed
18 in hours gas is expected to be
19 the avoided fuel

20 x IER, converted to the
21 appropriate time of delivery for
22 Winter/Summer Periods, expressed
23 in Btu/kWh

24 x Gas IER conversion factor of
25 1.035

26 //

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 x Price of gas pursuant to
2 Southern California Gas Co.
3 Tariff Schedule No. GN-5,
4 expressed in \$/million Btu used
5 in Edison's published avoided
6 cost of energy

7 (iii) = Variable Operating and
8 Maintenance expense expressed in
9 ¢/kWh as accepted by the
10 Commission

11 (iv) = Energy Loss Adjustment Factor as
12 authorized by the Commission

13 9.2.3.1 Seller may elect during the First
14 Period to specify a range in
15 increments of 100 Btu/kWh above and
16 below Edison's Forecast of
17 Incremental Energy Rates in effect
18 at the time of execution of this
19 Contract as specified in
20 Section 1.12 for the basis of
21 calculation of Seller's Monthly
22 Energy Payment.

23 a. If the Incremental Heat Rates
24 for the Edison system fall
25 within the range of the forecast
26 IER and increments specified in

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 Section 1.12, Seller's Monthly
2 Energy Payment shall be equal to
3 100% of Edison's published
4 avoided cost of energy as
5 updated and authorized by the
6 Commission pursuant to the
7 formula set forth in Section 9.3.

8 b. If the Incremental Heat Rates
9 for the Edison system fall
10 outside the range of the
11 forecast IER and increments
12 specified in Section 1.12,
13 Seller's Monthly Energy Payment
14 shall be calculated pursuant to
15 the formula used in Section 9.2.3
16 using as the IER the following
17 value:

18 $IER = \text{Forecast IER} \pm \text{IER increments as specified in}$
19 Section 1.12.

20 **9.3 Energy Payments - Second Period**

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

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 accepted by the Commission, pursuant to the
2 following formula:

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

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

13 9.4 Edison shall not be obligated to accept or pay for
14 Energy, and may request Seller whose Generating
15 Facility is one (1) MW or greater to discontinue or
16 reduce delivery of Energy, for not more than
17 300 hours annually during off-peak hours when
18 (i) purchases would result in costs greater than
19 those which Edison would incur if it did not
20 purchase Energy from Seller but instead utilized an
21 equivalent amount of Energy generated from another
22 Edison source, or (ii) the Edison Electric System
23 demand would require that Edison hydro-energy be
24 spilled to reduce generation.

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SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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
7 reinstated. If Seller fails to satisfy
8 Edison's security requirements within the
9 30-day period, the Energy Payment Refund
10 provided in Section 9.5 shall be payable
11 forthwith.

12 10. PAYMENT AND BILLING PROVISIONS

13 10.1 For Energy and capacity purchased by Edison:

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

25 10.1.2 If the monthly payment period involves
26 portions of two different published Energy

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 payment schedule periods, the monthly Energy
2 payment shall be prorated on the basis of
3 the percentage of days at each price.

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

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

15 10.2 For electric service provided by Edison:

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

23 STANDBY TARIFF
24 SCHEDULE NO.

ELECTRIC SERVICE TARIFF

25 SCG-1
26 SCG-2
SCG-3

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

//

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

9 10.2.1.2 (Applicable to SCG-1 only) The
10 capacity rating for determination
11 of standby waiver qualifications
12 shall be Contract Capacity plus
13 the maximum electric load served
14 by the Generating Facility during
15 the on-peak time period recorded
16 during the preceding 12-month time
17 period.

18 10.2.1.3 A minimum monthly charge may be
19 established for standby electric
20 service as provided in the tariff
21 schedule elected in Section 1.9.
22 Said minimum monthly charge shall
23 be specified in Section 1.9.

24 10.2.2 Under Operating Options II and III pursuant
25 to Section 5.1, electric service shall be
26 provided under terms, conditions, and rates

SCE STANDARD CONTRACT
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1 of Edison's tariff schedule indicated below
2 as now in effect or as may hereafter be
3 authorized by the Commission to be revised.

4 The applicable tariff schedule is:

5 TOU-8, GS-1,

6 or GS-2

7 The contract demand for calculation of the
8 minimum demand charge in the applicable
9 tariff schedules is specified in Section 1.9.

10 10.2.3 Edison shall commence billing Seller for
11 electric service rendered pursuant to the
12 applicable tariff schedule on the date that
13 the Point of Interconnection is energized.

14 10.3 Monthly charges associated with Interconnection
15 Facilities shall be billed pursuant to the
16 Interconnection Facilities Agreement contained in
17 the Appendix specified in Section 1.10.

18 10.4 Payments due to Contract Capacity Reduction

19 10.4.1 The Parties agree that the refund and
20 payments provided in Section 9.1.2.6
21 represent a fair compensation for the
22 reasonable losses that would result from
23 such reduction of Contract Capacity.

24 10.4.2 In the event of a reduction in Contract
25 Capacity, the quantity, in kW, by which the
26 Contract Capacity is reduced shall be used

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 to calculate the refunds and payments due
2 Edison in accordance with Section 9.1.2.6,
3 as applicable.

4 10.4.3 Edison shall provide invoices to Seller for
5 all refunds and payments due Edison under
6 this section which shall be due within
7 60 days.

8 10.4.4 If Seller does not make payments as required
9 in Section 10.4.3, Edison shall have the
10 right to offset any amounts due it against
11 any present or future payments due Seller
12 and may pursue any other remedies available
13 to Edison as a result of Seller's failure to
14 perform.

15 10.5 Energy Payment Refund

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

19 11. TAXES

20 11.1 Seller shall pay ad valorem taxes and other taxes
21 properly attributable to the Project. If such taxes
22 are assessed or levied against Edison, Seller shall
23 pay Edison for such assessment or levy.

24 11.2 Seller shall pay ad valorem taxes and other taxes
25 properly attributed to land, land rights, or
26 interest in land for the Project. If such taxes are

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

3 11.3 If the Interconnection Facilities are owned by
4 Edison, Edison shall pay ad valorem taxes and other
5 taxes properly attributed to said facilities. If
6 such taxes are assessed or levied against Seller,
7 Edison shall pay Seller for such assessment or levy.

8 11.4 Seller or Edison shall provide information
9 concerning the Project to any requesting taxing
10 authority.

11 12. TERMINATION

12 This Contract shall terminate if Firm Operation does not
13 occur within 5 years of the date of Contract execution.

14 13. LIABILITY

15 13.1 Each Party (First Party) releases the other Party
16 (Second Party), its directors, officers, employees
17 and agents from any loss, damage, claim, cost,
18 charge, or expense of any kind or nature (including
19 any direct, indirect or consequential loss, damage,
20 claim, cost, charge, or expense), including
21 attorneys' fees and other costs of litigation
22 incurred by the First Party in connection with
23 damage to property of the First Party caused by or
24 arising out of the Second Party's construction,
25 engineering, repair, supervision, inspection,
26 testing, protection, operation, maintenance,

SCE STANDARD CONTRACT
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1 replacement, reconstruction, use or ownership of its
2 facilities, to the extent that such loss, damage,
3 claim, cost, charge, or expense is caused by the
4 negligence of Second Party, its directors, officers,
5 employees, agents, or any person or entity whose
6 negligence would be imputed to Second Party.

7 13.2 Each Party shall indemnify and hold harmless the
8 other Party, its directors, officers, and employees
9 or agents from and against any loss, damage, claim,
10 cost, charge, (including direct, indirect or
11 consequential loss, damage, claim, cost, charge, or
12 expense), including attorneys' fees and other costs
13 of litigation, incurred by the other Party in
14 connection with the injury to or death of any person
15 or damage to property of a third party arising out
16 of the indemnifying Party's construction,
17 engineering, repair, supervision, inspection,
18 testing, protection, operation, maintenance,
19 replacement, reconstruction, use, or ownership of
20 its facilities, to the extent that such loss,
21 damage, claim, cost, charge, or expense is caused by
22 the negligence of the indemnifying Party, its
23 directors, officers, employees, agents, or any
24 person or entity whose negligence would be imputed
25 to the indemnifying Party; provided, however, that
26 each Party shall be solely responsible for and shall

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SCE STANDARD CONTRACT
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1 bear all cost of claims brought by its contractors
2 or its own employees and shall indemnify and hold
3 harmless the other Party for any such costs
4 including costs arising out of any workers
5 compensation law. Seller releases and shall defend
6 and indemnify Edison from any claim, cost, loss,
7 damage, or liability arising from any contrary
8 representation concerning the effect of Edison's
9 review of the design, construction, operation, or
10 maintenance of the Project.

11 13.3 The provisions of this Section 13 shall not be
12 construed so as to relieve any insurer of its
13 obligations to pay any insurance claims in
14 accordance with the provisions of any valid
15 insurance policy.

16 13.4 Neither Party shall be indemnified under this
17 Section 13 for its liability or loss resulting from
18 its sole negligence or willful misconduct.

19 14. INSURANCE

20 14.1 Until Contract is terminated, Seller shall obtain
21 and maintain in force as hereinafter provided
22 comprehensive general liability insurance, including
23 contractual liability coverage, with a combined
24 single limit of (i) not less than \$1,000,000 each
25 occurrence for Generating Facilities 100 kW or
26 greater; (ii) not less than \$500,000 for each

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 occurrence for Generating Facilities between 20 kW
2 and 100 kW; and (iii) not less than \$100,000 for
3 each occurrence for Generating Facilities less than
4 20 kW. The insurance carrier or carriers and form
5 of policy shall be subject to review and approval by
6 Edison.

7 14.2 Prior to the date Seller's Generating Facility is
8 first operated in parallel with Edison's electric
9 system, Seller shall (i) furnish certificate of
10 insurance to Edison, which certificate shall provide
11 that such insurance shall not be terminated nor
12 expire except on thirty days prior written notice to
13 Edison, (ii) maintain such insurance in effect for
14 so long as Seller's Generating Facility is operated
15 in parallel with Edison's electric system, and
16 (iii) furnish to Edison an additional insured
17 endorsement with respect to such insurance in
18 substantially the following form:

19 "In consideration of the premium charged,
20 Southern California Edison Company (Edison) is
21 named as additional insured with respect to all
22 liabilities arising out of Seller's use and
23 ownership of Seller's Generating Facility."

24 "The inclusion of more than one insured under
25 this policy shall not operate to impair the
26 rights of one insured against another insured

SCE STANDARD CONTRACT
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1 and the coverages afforded by this policy will
2 apply as though separate policies had been
3 issued to each insured. The inclusion of more
4 than one insured will not, however, operate to
5 increase the limit of the carrier's liability.
6 Edison will not, by reason of its inclusion
7 under this policy, incur liability to the
8 insurance carrier for payment of premium for
9 this policy."

10 "Any other insurance carried by Edison which
11 may be applicable shall be deemed excess
12 insurance and Seller's insurance primary for
13 all purposes despite any conflicting provisions
14 in Seller's policy to the contrary."

15 If the requirement of Section 14.2(iii) prevents
16 Seller from obtaining the insurance required in
17 Section 14.1 then upon written notification by
18 Seller to Edison, Section 14.2(iii) shall be waived.

19 14.3 The requirements of this Section 14 shall not apply
20 to Seller who is a self-insured governmental agency
21 with established record of self-insurance.

22 14.4 If Seller fails to comply with the provisions of
23 this Section 14, Seller shall, at its own cost,
24 defend, indemnify, and hold harmless Edison, its
25 directors, officers, employees, agents, assigns, and
26 successors in interest from and against any and all

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 loss, damage, claim, cost, charge, or expense of any
2 kind or nature (including direct, indirect or
3 consequential loss, damage, claim, cost, charge, or
4 expense, including attorneys' fees and other costs
5 of litigation) resulting from the death or injury to
6 any person or damage to any property, including the
7 personnel and property of Edison, to the extent that
8 Edison would have been protected had Seller complied
9 with all of the provisions of this Section 14.

10 15. UNCONTROLLABLE FORCES

11 15.1 Neither Party shall be considered to be in default
12 in the performance of any of the agreements
13 contained in this Contract, except for obligations
14 to pay money, when and to the extent failure of
15 performance shall be caused by an Uncontrollable
16 Force.

17 15.2 If either Party because of an Uncontrollable Force
18 is rendered wholly or partly unable to perform its
19 obligations under this Contract, the Party shall be
20 excused from whatever performance is affected by the
21 Uncontrollable Force to the extent so affected
22 provided that:

23 (1) the nonperforming Party, within two weeks after
24 the occurrence of the Uncontrollable Force,
25 gives the other Party written notice describing
26 the particulars of the occurrence,

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

4 (3) the nonperforming Party uses its best efforts
5 to remedy its inability to perform (this
6 subsection shall not require the settlement of
7 any strike, walkout, lockout or other labor
8 dispute on terms which, in the sole judgment of
9 the Party involved in the dispute, are contrary
10 to its interest. It is understood and agreed
11 that the settlement of strikes, walkouts,
12 lockouts or other labor disputes shall be at
13 the sole discretion of the Party having the
14 difficulty),

15 (4) when the nonperforming Party is able to resume
16 performance of its obligations under this
17 Contract, that Party shall give the other Party
18 written notice to that effect, and

19 (5) capacity payments during such periods of
20 Uncontrollable Force on Seller's part shall be
21 governed by Section 9.1.1.3.

22 15.3 In the event that either Party's ability to perform
23 cannot be corrected when the Uncontrollable Force is
24 caused by the actions or inactions of legislative,
25 judicial or regulatory agencies or other proper
26 authority, this Contract may be amended to comply

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 with the legal or regulatory change which caused the
2 nonperformance.

3 If a loss of Qualifying Facility status occurs due
4 to an Uncontrollable Force and Seller fails to make
5 the changes necessary to maintain its Qualifying
6 Facility status, the Seller shall compensate Edison
7 for any economic detriment incurred by Edison as a
8 result of such failure.

9 16. NONDEDICATION OF FACILITIES

10 Neither Party, by this Contract, dedicates any part of
11 its facilities involved in this Project to the public or
12 to the service provided under the Contract, and such
13 service shall cease upon termination of the Contract.

14 17. PRIORITY OF DOCUMENTS

15 If there is a conflict between this document and any
16 Appendix, the provisions of this document shall govern.
17 Each Party shall notify the other immediately upon the
18 determination of the existence of any such conflict.

19 18. NOTICES AND CORRESPONDENCE

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

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SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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

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7 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.

8 **19. PREVIOUS COMMUNICATIONS**

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16 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.

17 **20. NONWAIVER**

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27 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
insist on any one or more instances upon strict
performance of any of the provisions of the Contract or
to take advantage of any of its rights hereunder shall not
be construed as a waiver of any such provisions or the
relinquishment of any such rights for the future, but the
same shall continue to remain in full force and effect.

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

1 21. SUCCESSORS AND ASSIGNS

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

13 22. EFFECT OF SECTION HEADINGS

14 Section headings appearing in this Agreement are inserted
15 for convenience only, and shall not be construed as
16 interpretations of text.

17 23. GOVERNING LAW

18 This Contract shall be interpreted, governed, and
19 construed under the laws of the State of California as if
20 executed and to be performed wholly within the State of
21 California.

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SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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 13th of December, 1984.

APPROVED AS TO FORM:
JOHN R. BURY
Vice President and General Counsel
By _____
Attorney
_____, 19____

SOUTHERN CALIFORNIA EDISON COMPANY

By [Signature]
EDWARD A. MYERS, JR.
Vice President

ENERGY DEVELOPMENT &
CONSTRUCTION CORPORATION

By [Signature]
ROBERT F. BROZ
President

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SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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APPENDIX B

FORECAST OF ANNUAL AS-AVAILABLE
CAPACITY PAYMENT SCHEDULE

Document No. 2136H

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE -

FORECAST OF ANNUAL AS-AVAILABLE CAPACITY¹

Line No.	Year	As-Available Capacity ² (\$/kW-year)
1	1984	76
2	1985	81
3	1986	87
4	1987	94
5	1988	101
6	1989	109
7	1990	117
8	1991	126
9	1992	148
10	1993	158
11	1994	169
12	1995	180
13	1996	194
14	1997	206
15	1998	221
	1999	235

¹This forecast to be used in conjunction with Capacity Payment Option A.

²The 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.

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE -

FORECAST OF AS-AVAILABLE CAPACITY¹

SEASONAL TIME OF DELIVERY

Line No.	Year	Season	Period	As-Available Capacity ² (\$/kW-year)
1	1984	Summer	On-Peak	7.854
2			Mid-Peak	0.120
3			Off-Peak	0.000
4		Winter	On-Peak	1.516
5			Mid-Peak	0.424
6			Off-Peak	0.022

¹This forecast to be used in conjunction with Capacity Payment Option A.

²In 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.

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

FORECAST OF ANNUAL MARGINAL COST OF ENERGY¹

SEASONAL TIME OF DELIVERY

Line No.	Year	Season	Period	Annual Marginal Cost of Energy ² (¢/kWh)
1	1984	Summer	On-Peak	6.1
2			Mid-Peak	5.8
3			Off-Peak	5.5
4		Winter	On-Peak	5.7
5			Mid-Peak	5.6
6			Off-Peak	5.5
7		Annual		5.6

¹This forecast to be used in conjunction with Energy Payment Option 1.

²In 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

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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APPENDIX C

FORECAST OF ANNUAL MARGINAL COST OF ENERGY

Document No. 2136H

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

FORECAST OF ANNUAL MARGINAL COST OF ENERGY¹

Line No.	Year	Annual Marginal Cost of Energy ² (¢/kWh)
1	1984	5.6
2	1985	5.7
3	1986	6.0
4	1987	6.4
5	1988	6.9
6	1989	7.6
7	1990	8.1
8	1991	8.6
9	1992	9.3
10	1993	10.1
11	1994	10.9
12	1995	11.8
13	1996	12.6
14	1997	13.6
15	1998	14.6
		15.6

¹This forecast to be used in conjunction with Energy Payment Option 1.

²The 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.

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

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APPENDIX D

RULE NO. 21

COGENERATION AND SMALL POWER PRODUCTION
INTERCONNECTION STANDARDS

AND

SCHEDULE NO. TOU-8

GENERAL SERVICE - LARGE

SCE STANDARD CONTRACT
LONG-TERM POWER PURCHASE

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

FORECAST OF ANNUAL MARGINAL COST OF ENERGY¹

SEASONAL TIME OF DELIVERY

Line No.	Year	Season	Period	Annual Marginal Cost of Energy ² (¢/kWh)
1	1984	Summer	On-Peak	6.1
2			Mid-Peak	5.8
3			Off-Peak	5.5
4		Winter	On-Peak	5.7
5			Mid-Peak	5.6
6			Off-Peak	5.5
7		Annual		5.6

¹This forecast to be used in conjunction with Energy Payment Option 1.

²In 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