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AMENDED AND RESTATED WIND PARK  
POWER PURCHASE AND SALES AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA EDISON COMPANY  
AND  
OAK CREEK ENERGY SYSTEMS, INC.  
QFID NO. 6234

Document No. RDG/V205

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1 AMENDED AND RESTATED  
2 WIND PARK POWER PURCHASE AND SALES AGREEMENT  
3 BETWEEN  
4 SOUTHERN CALIFORNIA EDISON COMPANY  
5 AND  
6 OAK CREEK ENERGY SYSTEMS, INC.

7 1. PARTIES: This Amended and Restated Wind Park Power  
8 Purchase and Sales Agreement QFID No. 6234 between Oak  
9 Creek Energy Systems, Inc. and Southern California Edison  
10 Company ("Contract") is entered into by Gary Goldstick,  
11 as Chapter 11 Trustee in Case No. 187-00654 for Oak Creek  
12 Energy Systems, Inc., a California corporation, acting in  
13 its own behalf and on behalf of other owners as Project  
14 Manager, collectively referred to as ("Seller") and  
15 Southern California Edison Company ("Edison"), a  
16 California corporation (individually "Party,"  
17 collectively "Parties").

18 2. RECITALS: This Contract is made with reference to the  
19 following facts, among others:

20 2.1 The original Wind Park Power Purchase and Sales  
21 Agreement ("Original Agreement") was executed  
22 between the Parties as of the 26th day of  
23 March 1981 for Seller's Project identified as QFID  
24 No. 6005. 27

25 2.2 The Original Agreement was amended and restated by  
26 the Parties as of the 21st day of May 1985 as an  
Amended and Restated Wind Park Power Purchase and  
Sales Agreement ("Agreement") which provided for

1 the Phase I Generating Facilities, QFID No. 6005,  
2 to be limited to 16,555 kW of capacity and  
3 established a new Standard Offer No. 4 pricing  
4 arrangement for a 24 MW nameplate Generating  
5 Facility which is now identified as QFID No. 6234.

6 2.3 The Interconnection Facilities for QFID No. 6234  
7 were energized on February 10, 1986.

8 2.4 Seller has not transferred ownership of the Seller  
9 installed appendant facilities to Edison as  
10 required by Section A5 of Appendix A to the  
11 Agreement.

12 2.5 Seller has not conveyed the necessary rights of way  
13 and other interests in the land to Edison as  
14 required by Section 7.2 of the Agreement.

15 2.6 Seller filed Chapter 11 bankruptcy as of the 24th  
16 day of February 1987.

17 2.7 The Agreement does not define "nameplate rating" as  
18 referred to in Sections 2.2, 2.3, 4.6, 4.7, 4.9,  
19 5.1.4, and 6.1 of the Agreement.

20 2.8 Oak Creek Energy Systems QFID No. 6005 has been  
21 identified as a Pioneer Qualifying Facility  
22 pursuant to California Public Utilities Commission  
23 Decision No. 87-01-049.

24 2.9 QFID No. 6005 is not a financially viable project  
25 under the current payment scheme.

26 //

1           2.10 The Parties wish to terminate all sections of the  
2           Agreement which pertain to QFID No. 6005 and pay  
3           Seller for Energy and Capacity produced by the  
4           Generating Facilities for QFID No. 6005 under the  
5           terms and conditions of QFID No. 6234.

6           2.11 The Parties wish to determine the total amount of  
7           monies Seller has been paid for Energy and Capacity  
8           from Seller's QFID No. 6005 Project which are in  
9           excess of Edison's Standard Offer No. 1 rates. The  
10          Parties also wish to determine the monetary benefit  
11          Seller has received from Edison's installation,  
12          operation, and maintenance of the Interconnection  
13          Facilities for QFID No. 6005. The Parties wish to  
14          combine these two amounts, transfer the debit to  
15          QFID No. 6234 and have said debit repaid out of the  
16          funds generated from the purchase of Energy and  
17          Capacity from all of the Generating Facilities  
18          during the First Period of the Contract for QFID  
19          No. 6234.

20         3. AGREEMENT: The Parties agree as follows:

21         4. PROJECT SUMMARY

22                 Seller has constructed, owns, and operates a Qualifying  
23                 Facility and sells electric power to Edison and Edison  
24                 purchases electric power delivered by Seller to Edison at  
25                 the Point of Interconnection pursuant to the terms and  
26                 conditions set forth as follows:

1 4.1 All notices shall be sent to Seller at the  
2 following address:

3 Mr. G. H. Goldstick, Trustee  
4 Oak Creek Energy Systems, Inc.  
5 P.O. Box 469  
6 Tehachapi, CA 93561

7 4.2 Seller's Generating Facility:

8 4.2a Nameplate Rating: 1) 27,900 kW (as is  
9 represented on Appendix E) - This is the  
10 absolute maximum kW of Nameplate Rated  
11 capacity that Seller may install under this  
12 Contract. The kW maximum is based on the  
13 definition of Nameplate Rating as shown in  
14 Section 5.25. The Project is also limited to  
15 the number of kWh's for which Standard Offer  
16 No. 4 energy and capacity rates shall be  
17 paid. Said limit is 46,884,000 kWh per  
18 year. This limit is based on a reasonable  
19 capacity factor for the Project location and  
20 the original Nameplate Rating of the  
21 Generating Facility of 24,000 kW. The limit  
22 is calculated as follows: 24,000 kW X  
23 8,760 hours per year X 22.3% capacity  
24 factor = 46,884,000 kWh's. The capacity  
25 factor is subject to an increase in future  
26 years and consequently the maximum kWh's that

1 Edison will pay Standard Offer No. 4 energy  
2 and capacity rates for may also increase.  
3 The capacity factor used in the formula above  
4 to calculate the maximum kWh's for which  
5 Edison will pay Standard Offer No. 4 energy  
6 and capacity rates shall increase in the year  
7 in question if the average capacity factor of  
8 the Tehachapi area projects with the two  
9 highest capacity factors in the previous year  
10 is greater than 22.3%. In addition, should  
11 Seller's capacity factor be the highest in  
12 the Tehachapi area that capacity factor shall  
13 be used.

14 4.2b Location: Sections 16, 21, 22 and 23  
15 Township 11 North, Range 14 West Kern County

16 4.2c Type:  
17  X  Wind Generation Small Power Production  
18 Facility

19 4.2d Delivery of power to Edison at a nominal  
20 12,000 and 66,000 volts.

21 4.2e Seller commenced construction of the  
22 Generating Facility on January 1, 1982.

23 4.3 Edison Customer Service District:  
24 Antelope Valley District  
25 42060 10th Street W.  
26 Lancaster, CA 93534



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4.4 Location of Edison Operating Switching Center:  
Vincent Substation  
33301 Angeles Forest Highway  
Palmdale, CA 93350

4.5 Contract Capacity: 0 kW  
4.5.1 Estimated as-available capacity: 24,000 kW.

4.6 Expected annual production: 48,880,800 kWh.

4.7 Firm Operation date for each generating unit(s): December 31, 1986.

4.8 Contract Term: 30 years.

4.9 Operating Options pursuant to Section 5:

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

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 13.2.

b. Contract demand: 20 kW.

Operating Option III. Excess generator output dedicated to Edison with Seller serving own load.

a. Electric service Tariff Schedule  
No. \_\_\_ pursuant to Section 13.2.

b. Contract demand: \_\_\_\_\_ kW.

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- c. Standby Demand: \_\_\_\_\_ kW pursuant to Section 13.2.
- d. Maximum electrical requirements expected: \_\_\_\_\_ kW.
- e. Standby electric service Tariff Schedule No. \_\_\_\_\_ pursuant to Section 13.2.
- f. Minimum monthly charge for standby service: \_\_\_\_\_.

4.10 Interconnection Facilities Agreement pursuant to Section 9 shall be:

- Added Facilities Basis (Appendix A.1) for 12 kV facilities
- Seller Owned and Operated Basis (Appendix A.2) for 66 kV facilities

4.11 The Capacity Payment Option selected by Seller pursuant to Section 12.1 shall be:

- Option A - As-available capacity based upon:
  - \_\_\_\_\_ Standard Offer No. 1 Capacity Payment Schedule, or
  - Forecast of Annual As-Available Capacity Payment Schedule. The as-available capacity price (first year): \$87/kW-yr. (Appendix B)

4.12 The Energy Payment Option selected by Seller pursuant to Section 12.2 shall be:

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  X   Option 1 - Forecast of Annual Marginal Cost  
of Energy in effect at date of execution of  
this Contract. (Appendix C)  
Seller elects to receive the following  
percentages in 20% increments, the total of  
which shall equal 100%: 100 Percent of  
Forecast of Marginal Cost of Energy.

4.13 Metering Location

Seller elects metering location pursuant to  
Section 11 as follows:

  X   Edison's side of the Interconnection  
Facilities

GENERAL TERMS & CONDITIONS

5. DEFINITIONS

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

5.1 Appendix A.1: Interconnection Facilities Agreement--

Added Facilities Basis

5.2 Appendix A.2: Interconnection Facilities Agreement--

Seller Owned and Operated Basis

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

5.4 Appendix C: Forecast of Annual Marginal Cost of Energy

5.5 Appendix D: Forecast of Incremental Energy Rates.

5.6 Appendix E: Turbine Listings

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

5.8 Commission: The Public Utilities Commission of the State of California.

5.9 Contract: This document and Appendices, as amended from time to time.

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1 5.10 Contract Capacity: The electric power producing  
2 capability of the Generating Facility which is  
3 committed to Edison.

4 5.11 Contract Term: Period in years commencing with date  
5 of Firm Operation for the first generating unit(s)  
6 during which Edison shall purchase electric power  
7 from Seller.

8 5.12 Edison: The Southern California Edison Company.

9 5.13 Edison Electric System Integrity: The state of  
10 operation of Edison's electric system in a manner  
11 which is deemed to minimize the risk of injury to  
12 persons and/or property and enables Edison to  
13 provide adequate and reliable electric service to  
14 its customers.

15 5.14 Emergency: A condition or situation which in  
16 Edison's sole judgment affects Edison Electric  
17 System Integrity.

18 5.15 Energy: Kilowatthours generated by the Generating  
19 Facility which are purchased by Edison at the Point  
20 of Interconnection.

21 5.16 Firm Operation: The date agreed on by the Parties  
22 on which each generating unit(s) of the Generating  
23 Facility is determined to be a reliable source of  
24 generation and on which such unit can be reasonably  
25 expected to operate continuously at its effective  
26 rating (expressed in kW).

1 5.17 First Period: The period of the Contract Term  
2 specified in Section 6.1.

3 5.18 Forced Outage: Any outage other than a scheduled  
4 outage of the Generating Facility that fully or  
5 partially curtails its electrical output.

6 5.19 Generating Facility: All of Seller's generators,  
7 together with all protective and other associated  
8 equipment and improvements, necessary to produce  
9 electrical power at Seller's Facility excluding  
10 associated land, land rights, and interests in land.

11 5.20 Generator: The generator(s) and associated prime  
12 mover(s), which are a part of the Generating  
13 Facility.

14 5.21 Incremental Heat Rate(s): Those Edison system  
15 values expressed in Btu/kWh by time of delivery for  
16 the Summer and Winter Periods which are authorized  
17 and adopted by the Commission to be used in the  
18 calculation of Edison's published avoided cost of  
19 energy.

20 5.22 Interconnection Facilities: Those protection,  
21 metering, electric line(s), and other facilities  
22 required in Edison's sole judgment to permit an  
23 electrical interface between Edison's system and the  
24 Generating Facility in accordance with Edison's  
25 Tariff Rule No. 21 titled Cogeneration and Small

26 //

1 Power Production Interconnection Standards filed  
2 with the Commission.

3 5.23 Interconnection Facilities Agreement: Those  
4 documents which are specified in Section 4.10 and  
5 are attached hereto.

6 5.24 KVAR: Reactive kilovolt-ampere, a unit of measure  
7 of reactive power.

8 5.25 Nameplate Rating: The manufacturer's nameplate  
9 rating of a wind turbine generator, under specified  
10 conditions as designated by the manufacturer. It is  
11 usually indicated on a nameplate attached  
12 mechanically to the individual wind turbine  
13 generator or can be verified by published documents  
14 issued by the manufacturer.

15 5.26 Operate: To provide the engineering, purchasing,  
16 repair, supervision, training, inspection, testing,  
17 protection, operation, use, management, replacement,  
18 retirement, reconstruction, and maintenance of and  
19 for the Generating Facility in accordance with  
20 applicable California utility standards and good  
21 engineering practices.

22 5.27 Operating Representatives: Individual(s) appointed  
23 by each Party for the purpose of securing effective  
24 cooperation and interchange of information between  
25 the Parties in connection with administration and  
26 technical matters related to this Contract.

1 5.28 Parties: Edison and Seller.

2 5.29 Party: Edison or Seller.

3 5.30 Peak Months: Those months which the Edison annual  
4 system peak demand could occur. Currently, but  
5 subject to change with notice, the peak months for  
6 the Edison system are June, July, August, and  
7 September.

8 5.31 Point of Interconnection: The point where the  
9 transfer of electrical energy between Edison and  
10 Seller takes place.

11 5.32 Project: The Generating Facility and  
12 Interconnection Facilities required to permit  
13 operation of Seller's Generator in parallel with  
14 Edison's electric system.

15 5.33 Protective Apparatus: That equipment and apparatus  
16 installed by Seller and/or Edison pursuant to  
17 Section 7.2.

18 5.34 Qualifying Facility: Cogeneration or Small Power  
19 Production Facility which meets the criteria as  
20 defined in Title 18, Code of Federal Regulations,  
21 Section 292.201 through 292.207.

22 5.35 Second Period: The period of the Contract Term  
23 specified in Section 6.2.

24 5.36 Seller: The Party identified in Section 4.0.

25 5.37 Seller's Facility: The premises and equipment of  
26 Seller located as specified in Section 4.2.



1           5.38 Small Power Production Facility: The facilities and  
2           equipment which use biomass, waste, or renewable  
3           resources, including wind, solar, geothermal, and  
4           water, to produce electrical energy as defined in  
5           Title 18, Code of Federal Regulations,  
6           Section 292.201 through 292.207.

7           5.39 Summer Period: Defined in Edison's Tariff Schedule  
8           No. TOU-8 as now in effect or as may hereafter be  
9           authorized by the Commission.

10          5.40 Tariff Schedule No. TOU-8: Edison's time-of-use  
11          energy tariff for electric service exceeding 500 kW,  
12          as now in effect or as may hereafter be authorized  
13          by the Commission.

14          5.41 Uncontrollable Forces: Any occurrence beyond the  
15          control of a Party which causes that Party to be  
16          unable to perform its obligations hereunder and  
17          which a Party has been unable to overcome by the  
18          exercise of due diligence, including but not limited  
19          to flood, drought, earthquake, storm, fire,  
20          pestilence, lightning and other natural  
21          catastrophes, epidemic, war, riot, civil disturbance  
22          or disobedience, strike, labor dispute, action or  
23          inaction of legislative, judicial, or regulatory  
24          agencies, or other proper authority, which may  
25          conflict with the terms of this Contract, or  
26          failure, threat of failure or sabotage of facilities

1 which have been maintained in accordance with good  
2 engineering and operating practices in California.

3 5.42 Winter Period: Defined in Edison's Tariff Schedule  
4 No. TOU-8 as now in effect or as may hereafter be  
5 authorized by the Commission.

6 6. TERM

7 Upon execution by the Parties, this Contract shall be  
8 effective March 7, 1989 and shall remain effective until  
9 either Party gives 90 days prior written notice of  
10 termination to the other Party, except that such notice  
11 of termination shall not be effective to terminate this  
12 Contract prior to expiration of the Contract Term  
13 specified in Section 4.8. 3012

14 6.1 The First Period of the Contract Term commenced on  
15 February 10, 1986 and shall end on February 9, 1996.

16 6.2 The Second Period of the Contract Term shall  
17 commence upon expiration of the First Period and  
18 shall continue for the remainder of the Contract  
19 Term.

20 7. GENERATING FACILITY

21 7.1 Ownership

22 The Generating Facility shall be owned by Seller.

23 7.2 Design

24 7.2.1 Seller, at no cost to Edison, has:

25 a. Designed the Generating Facility.

26 //

1 b. Acquired all permits and other approvals  
2 necessary for the construction,  
3 operation, and maintenance of the  
4 Generating Facility.

5 c. Completed all environmental impact  
6 studies necessary for the construction,  
7 operation, and maintenance of the  
8 Generating Facility.

9 d. Furnished and installed the relays,  
10 meters, power circuit breakers,  
11 synchronizer, and other control and  
12 Protective Apparatus as agreed to by the  
13 Parties as being necessary for proper  
14 and safe operation of the Project in  
15 parallel with Edison's electric system.

16 7.2.2 Edison has the right to:

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

25 The Seller was notified in writing of  
26 the outcome of the Edison's review

1 within 30 days of the receipt of all  
2 specifications for both the Generating  
3 Facility and the Interconnection  
4 Facilities. Any flaws perceived by  
5 Edison in the design were described in  
6 Edison's written notice.

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

14 7.2.3 Seller shall provide individual power factor  
15 correction capacitors for each induction-type  
16 generator. Such capacitors shall be  
17 switched on and off simultaneously with each  
18 of the associated induction-type  
19 generator(s) of the Generating Facility.  
20 The KVAR rating of such capacitors shall be  
21 the highest standard value which will not  
22 exceed such generators no-load KVAR  
23 requirement. Seller shall not install power  
24 factor correction in excess of that required  
25 by this Section unless agreed to in writing  
26 by the Parties.

1           7.2.4   Seller shall not locate any part of a wind-  
2                    driven generating unit of the Generating  
3                    Facility within a distance 1.25 times the  
4                    height of a wind turbine structure of an  
5                    existing electric utility 33 kV, 66 kV, or  
6                    115 kV transmission line right of way or  
7                    within three rotor blade diameters of an  
8                    existing electric utility 220 kV or 500 kV  
9                    transmission line right of way or any  
10                   proposed transmission line right of way of  
11                   which Edison is pursuing regulatory approval  
12                   for construction.

13           7.2.5   Seller shall not at any time install and  
14                   connect Generating Facilities with Nameplate  
15                   Ratings, which in the aggregate, exceed the  
16                   Nameplate Rating as listed in Section 4.2a.

17       7.3   Construction

18           Edison has the right to review, consult with, and  
19           make recommendations regarding Seller's construction  
20           schedule and to monitor the construction and  
21           start-up of the Project.

22       7.4   Operation

23           7.4.1   The Generating Facility and Seller's  
24                   Protective Apparatus shall be operated and  
25                   maintained in accordance with applicable  
26                   California utility industry standards and

1 good engineering practices with respect to  
2 synchronizing, voltage and reactive power  
3 control. Edison shall have the right to  
4 monitor operation of the Project and may  
5 require changes in Seller's method of  
6 operation if such changes are necessary, in  
7 Edison's sole judgment, to maintain Edison  
8 Electric System Integrity.

9 7.4.2 Edison shall have the right to require  
10 Seller to disconnect the Generator from the  
11 Edison electric system or to reduce the  
12 electrical output from the Generator into  
13 the Edison electric system, whenever Edison  
14 determines, in its sole judgment, that such  
15 a disconnection or reduction in electrical  
16 output is necessary to facilitate  
17 maintenance of Edison's facilities, or to  
18 maintain Edison Electric System Integrity.  
19 Each Party shall endeavor to correct, within  
20 a reasonable period, the condition on its  
21 system which necessitates the disconnection  
22 or the reduction of electrical output. The  
23 duration of the disconnection or the  
24 reduction in electrical output shall be  
25 limited to the period of time such a  
26 condition exists.

1           7.4.3   The Generating Facility shall be operated  
2                   with all of Seller's Protective Apparatus in  
3                   service whenever the Generator is connected  
4                   to or is operated in parallel with the  
5                   Edison electric system. Any deviation for  
6                   brief periods of emergency or maintenance  
7                   shall only be by agreement of the Parties.

8           7.4.4   Each Party shall keep the other Party's  
9                   Operating Representative informed as to the  
10                  operating schedule of their respective  
11                  facilities affecting each other's operation  
12                  hereunder. In addition, Seller shall  
13                  provide Edison with reasonable advance  
14                  notice regarding scheduled outages of its  
15                  Generating Facility. Reasonable advance  
16                  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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22           7.4.5   Notification by each Party's Operating  
23                   Representative of outage date and duration  
24                   should be directed to the other Party's  
25                   Operating Representative by telephone.

26    //

1           7.4.6    Seller shall not schedule major overhauls of  
2                    the Generating Facility or the  
3                    Interconnection Facilities during Peak  
4                    Months.

5           7.4.7    Seller shall maintain an operating log at  
6                    Seller's Facility with records of: real and  
7                    reactive power production; changes in  
8                    operating status, outages, Protective  
9                    Apparatus operations; and any unusual  
10                   conditions found during inspections. In  
11                   addition, Seller shall maintain records  
12                   applicable to the Generating Facility,  
13                   including the electrical characteristics of  
14                   the Generator and settings or adjustments of  
15                   the Generator control equipment and  
16                   protective devices. Information maintained  
17                   pursuant to this Section 7.4.7 shall be  
18                   provided to Edison, within 30 days of  
19                   Edison's request.

20           7.4.8    If, at any time, Edison doubts the integrity  
21                    of any of Seller's Protective Apparatus and  
22                    believes that such loss of integrity would  
23                    impair the Edison Electric System Integrity,  
24                    Seller shall demonstrate, to Edison's  
25                    satisfaction, the correct calibration and  
26                    operation of the equipment in question.



1           7.4.9    Seller shall test all protective devices  
2                    specified in Section 7.2 with qualified  
3                    Edison personnel present at intervals not to  
4                    exceed four years.

5           7.4.10   Seller shall, to the extent possible,  
6                    provide reactive power for its own  
7                    requirements, and where applicable, the  
8                    reactive power losses of interfacing  
9                    transformers. Seller shall not deliver  
10                   excess reactive power to Edison unless  
11                   otherwise agreed upon between the Parties.

12          7.4.11   The Seller warrants that the Generating  
13                    Facility meets the requirements of a  
14                    Qualifying Facility as of the effective date  
15                    of this Contract and continuing through the  
16                    Contract Term.

17          7.4.12   The Seller warrants that the Generating  
18                    Facility shall at all times conform to all  
19                    applicable laws and regulations. Seller  
20                    shall obtain and maintain any governmental  
21                    authorizations and permits for the continued  
22                    operation of the Generating Facility. If at  
23                    any time Seller does not hold such  
24                    authorizations and permits, Seller agrees to  
25                    reimburse Edison for any loss which Edison  
26                    incurs as a result of the Seller's failure

1 to maintain governmental authorization and  
2 permits.

3 7.4.13 At Edison's request, Seller shall make all  
4 reasonable effort to deliver power at the  
5 maximum rate possible during periods of  
6 Emergency. In the event that the Seller has  
7 previously scheduled an outage coincident  
8 with an Emergency, Seller shall make all  
9 reasonable efforts to reschedule the  
10 outage. The notification periods listed in  
11 Section 7.4.4 shall be waived by Edison if  
12 Seller reschedules the outage.

13 7.4.14 Seller's allocation for transmission line  
14 capacity is limited to 24,000 kW. Edison  
15 has informed Seller and Seller fully  
16 understands that the Nameplate Rated  
17 capacity that Seller has, or has the right  
18 to install, may generate more capacity than  
19 the transmission line can carry. In these  
20 instances, Edison's transmission line  
21 protection equipment will disconnect the  
22 Project from Edison's system. Seller shall,  
23 at its own cost, defend, indemnify, and hold  
24 harmless Edison, its directors, officers,  
25 employees, agents, assigns, and successors  
26 in interest from and against any and all

1 loss, damage, claim, cost, charge, or  
2 expense of any kind of nature (including  
3 direct, indirect, or consequential loss,  
4 damage, claim, cost, charge, or expense,  
5 including attorney's fees and other costs of  
6 litigation resulting from said disconnection.  
7 To attempt to prevent said disconnection,  
8 the Parties shall do the following:

9 7.4.14.1 Edison, in its sole discretion,  
10 shall set the three relay points  
11 on an amperage basis which is as  
12 close to a total of 24,000 kW as  
13 possible and has the longest  
14 reasonable delay curve which  
15 will still protect Edison  
16 Electric System Integrity.

17 7.4.14.2 Seller shall use reasonable  
18 efforts to: a) monitor the  
19 Project's output, and  
20 b) disconnect the necessary  
21 turbines from their grid to keep  
22 the output to a level which will  
23 not cause Edison's relays to  
24 disconnect the Project from  
25 Edison's system. To the extent  
26 possible, Edison's operating

1 Representative shall advise  
2 Seller of the settings and trip  
3 characteristics, and changes  
4 thereto, of Edison's relays.

5 7.5 Maintenance

6 7.5.1 Seller shall maintain the Generating  
7 Facility in accordance with applicable  
8 California utility industry standards and  
9 good engineering and operating practices.  
10 Edison shall have the right to monitor such  
11 maintenance of the Generating Facility.  
12 Seller shall maintain and deliver a  
13 maintenance record of the Generating  
14 Facility to Edison's Operating  
15 Representatives upon request.

16 7.5.2 Seller shall make a reasonable effort to  
17 schedule routine maintenance of the  
18 Interconnection Facilities during Off-Peak  
19 Months. Outages for scheduled maintenance  
20 shall not exceed a total of 30 peak hours  
21 for the Peak Months.

22 7.5.3 The allowance for scheduled maintenance of  
23 the Generating Facility or the  
24 Interconnection Facilities is as follows:  
25 a. Outage periods for scheduled maintenance  
26 shall not exceed 840 hours (35 days) in

1 any 12-month period. This allowance may  
2 be used in increments of an hour or  
3 longer on a consecutive or nonconsecutive  
4 basis.

5 b. Seller may accumulate unused maintenance  
6 hours on a year-to-year basis up to a  
7 maximum of 1,080 hours (45 days). This  
8 accrued time must be used consecutively  
9 and only for major overhauls.

10 7.6 Any review by Edison of the design, construction,  
11 operation, or maintenance of the Project is solely  
12 for the information of Edison. By making such  
13 review, Edison makes no representation as to the  
14 economic and technical feasibility, operational  
15 capability, or reliability of the Project. Seller  
16 shall in no way represent to any third party that  
17 any such review by Edison of the Project, including,  
18 but not limited to, any review of the design,  
19 construction, operation, or maintenance of the  
20 Project by Edison, is a representation by Edison as  
21 to the economic and technical feasibility,  
22 operational capability, or reliability of said  
23 facilities. Seller is solely responsible for  
24 economic and technical feasibility, operational  
25 capability, and reliability thereof.

26 //

1     8.    OPERATING OPTIONS

2           8.1   Seller shall elect in Section 4.9 to Operate its  
3           Generating Facility in parallel with Edison's  
4           electric system pursuant to one of the following  
5           options:

- 6           a.    Operating Option I:  Seller dedicates the  
7           entire Generator output to Edison with no  
8           electrical service required from Edison.
- 9           b.    Operating Option II:  Seller dedicates the  
10          entire Generator output to Edison with  
11          electrical service required from Edison.
- 12          c.    Operating Option III:  Seller dedicates to  
13          Edison only that portion of the Generator  
14          output in excess of Seller's electrical service  
15          requirements.  As much as practicable, Seller  
16          intends to serve its electrical requirements  
17          from the Generator output and will require  
18          electrical standby from Edison as designated in  
19          Section 4.9.

20          8.2   After expiration of the First Period of the Contract  
21          Term, Seller may change the Operating Option, but  
22          not more than once per year upon at least 90 days  
23          prior written notice to Edison.  Edison shall not be  
24          required to remove or reserve capacity of  
25          Interconnection Facilities made idle by a change in  
26          operating options.  Edison may dedicate any such

1 idle Interconnection Facilities at any time to serve  
2 other customers or to interconnect with other  
3 electric power sources. Edison shall process  
4 requests for changes of operating option in the  
5 chronological order received.

6 8.2.1 When the Seller wishes to reserve  
7 Interconnection Facilities paid for by the  
8 Seller but idled by a change in operation  
9 option, Edison shall impose a special  
10 facilities charge related to the operation  
11 and maintenance of the Interconnection  
12 Facility. When the Seller no longer needs  
13 said facilities for which it has paid, the  
14 Seller shall receive credit for the net  
15 salvage value of the Interconnection  
16 Facilities dedicated to Edison's use. If  
17 Edison is able to make use of these  
18 facilities to serve other customers, the  
19 Seller shall receive the fair market value  
20 of the facilities determined as of the date  
21 the Seller either decides no longer to use  
22 said facilities or fails to pay the required  
23 maintenance fee.

24 9. INTERCONNECTION FACILITIES

25 9.1 The Parties have executed two Interconnection  
26 Facilities Agreements as selected by Seller in

1 Section 4.10, covering the design, installation,  
2 operation and maintenance of the Interconnection  
3 Facilities required in Edison's sole judgment, to  
4 permit an electrical interface between the Parties  
5 pursuant to Edison's Tariff Rule No. 21.

6 9.2 The cost for the Interconnection Facilities set  
7 forth in the appendices specified in Section 4.10,  
8 are estimates only for Seller's information and will  
9 be adjusted to reflect recorded costs after  
10 installation is complete.

11 9.3 The nature of the Interconnection Facilities and the  
12 Point of Interconnection have been set forth either  
13 by equipment lists or appropriate one-line diagrams  
14 and are attached to the appropriate appendix  
15 specified in Section 4.10.

16 9.4 The design, installation, operation, maintenance,  
17 and modifications of the Interconnection Facilities  
18 shall be at Seller's expense.

19 9.5 Seller did not commence parallel operation of the  
20 Generating Facility until approval for operation of  
21 the Interconnection Facilities had been received  
22 from Edison. The Seller notified Edison at least  
23 forty-five days prior to the initial energizing of  
24 the Point of Interconnection. Edison had the right  
25 to inspect the Interconnection Facilities within  
26 thirty days of receipt of such notice.



1           9.6 Seller, at no cost to Edison, shall acquire all  
2           permits and approvals and complete all environmental  
3           impact studies necessary for the design and  
4           installation and operation and maintenance of the  
5           Interconnection Facilities.

6   10.   ELECTRIC LINES AND ASSOCIATED EASEMENTS

7           10.1 Edison, as it deemed necessary or desirable, built  
8           electric lines, facilities and other equipment, both  
9           overhead and underground, on and off Seller's  
10          Facility, for the purpose of effecting the  
11          agreements contained in this Contract. The physical  
12          location of such electric lines, facilities and  
13          other equipment on Seller's Facility were determined  
14          by agreement of the Parties.

15          10.2 Seller shall reimburse Edison for the cost of  
16          acquiring property rights off Sellers's Facility  
17          required by Edison to meet its obligations under  
18          this Contract.

19          10.3 Seller shall grant to Edison, without cost to Edison,  
20          and by an instrument of conveyance, acceptable to  
21          Edison, rights of way, easements and other property  
22          interests necessary to construct, reconstruct, use,  
23          maintain, alter, add to, enlarge, repair, replace,  
24          inspect and remove, at any time, the electric lines,  
25          facilities or other equipment, both overhead and  
26          underground, which are required by Edison to effect

1 the agreements contained in the Contract. Seller  
2 shall also provide the rights of ingress and egress  
3 at all reasonable times necessary for Edison to  
4 perform the activities contemplated in the Contract.

5 10.4 The electric lines, facilities, or other equipment  
6 referred to in this Section 10 installed by Edison  
7 on or off Seller's Facility shall be and remain the  
8 property of Edison.

9 10.5 Edison shall have no obligation to Seller for any  
10 delay or cancellation due to inability to acquire a  
11 satisfactory right of way, easements, or other  
12 property interests.

13 11. METERING

14 11.1 All meters and equipment used for the measurement of  
15 electric power for determining Edison's payments to  
16 Seller pursuant to this Contract shall be provided,  
17 owned, and maintained by Edison at Seller's expense  
18 in accordance with Edison's Tariff Rule No. 21, as  
19 it may from time to time be amended.

20 11.2 All meters and equipment used for billing Seller for  
21 electric service provided to Seller by Edison under  
22 Operating Options II or III shall be provided,  
23 owned, and maintained by Edison at Edison's expense  
24 in accordance with Edison's Tariff Rule No. 16, as  
25 it may from time to time be amended.

26 //

1 11.3 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 4.13. Service shall be provided  
5 at the available transformer high-side voltage.

6 11.4 For purposes of monitoring the Generator operation  
7 and the determination of standby charges, Edison  
8 shall have the right to require, at Seller's  
9 expense, the installation of generation metering.  
10 Edison may also require the installation of  
11 telemetering equipment at Seller's expense for  
12 Generating Facilities equal to or greater than 10 MW.

13 11.5 Edison's meters shall be sealed and the seals shall  
14 be broken only when the meters are to be inspected,  
15 tested, or adjusted by Edison. Seller shall be  
16 given reasonable notice of testing and have the  
17 right to have its Operating Representative present  
18 on such occasions.

19 11.6 Edison's meters installed pursuant to this Contract  
20 shall be tested by Edison, at Edison's expense, at  
21 least once each year and at any reasonable time upon  
22 request by either Party, at the requesting Party's  
23 expense. If Seller makes such request, Seller shall  
24 reimburse said expense to Edison within thirty days  
25 after presentation of a bill therefor.

26 //

1 11.7 Metering equipment found to be inaccurate shall be  
2 repaired, adjusted, or replaced by Edison such that  
3 the metering accuracy of said equipment shall be  
4 within two percent. If metering equipment  
5 inaccuracy exceeds two percent, the correct amount  
6 of Energy and Contract Capacity delivered during the  
7 period of said inaccuracy shall be estimated by  
8 Edison and agreed upon by the Parties.

9 12. POWER PURCHASE PROVISIONS

10 12.1 Capacity Payments

11 Seller shall sell to Edison and Edison shall  
12 purchase from Seller capacity pursuant to the  
13 Capacity Payment Option selected by Seller in  
14 Section 4.11 for a maximum of 46,884,000 kWh's per  
15 year. Said year shall start with the kWh's paid for  
16 on the regular January payment and end with the  
17 kWh's paid for on the regular December payment. All  
18 other kWh's produced in each year shall be paid for  
19 based on Edison's Capacity Payment Schedule for  
20 As-Available Power Purchases as it currently exists  
21 or as it may be changed from time to time. Said  
22 maximum kWh's may increase pursuant to the formula  
23 shown in Section 4.2a herein. The Capacity Payment  
24 Schedules will be based on Edison's full avoided  
25 operating costs as approved by the Commission  
26 throughout the life of this Contract. Data used to

1 derive Edison's full avoided costs will be made  
2 available to the Seller, to the extent specified by  
3 Seller upon request.

4 12.1.1 Capacity Payment Option A -- As Available  
5 Capacity.

6 Seller shall be paid a monthly capacity  
7 payment calculated pursuant to the following  
8 formula:

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

10 Where A = kWh purchased by Edison during  
11 on-peak periods defined in  
12 Edison's Tariff Schedule  
13 No. TOU-8, as now in effect or  
14 as it may hereafter be amended.

15 B = kWh purchased by Edison during  
16 mid-peak periods defined in  
17 Edison's Tariff Schedule  
18 No. TOU-8, as now in effect or  
19 as it may hereafter be amended.

20 C = kWh purchased by Edison during  
21 off-peak periods defined in  
22 Edison's Tariff Schedule  
23 No. TOU-8, as now in effect or  
24 as it may hereafter be amended.

25 D = a. During the First Period of  
26 the Contract Term, D shall

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equal the appropriate time differentiated capacity price from the Forecast of Annual As-Available Capacity Payment Schedule.

b. During the Second Period of the Contract Term, the formula shall be computed with D equal to the appropriate time differentiated capacity price from Standard Offer No. 1 Capacity Payment Schedule, but not less than the greater of (i) the appropriate time differentiated capacity price from the Forecast of Annual As-Available Capacity Payment Schedule for the last year of the First Period, or (ii) the appropriate time differentiated capacity price from the Standard Offer No. 1 Capacity

1 Payment Schedule for the  
2 first year of the Second  
3 Period.

4 12.2 Energy Payments - First Period

5 During the First Period of the Contract Term, Seller  
6 shall be paid a Monthly Energy Payment for the  
7 Energy delivered by the Seller to Edison at the  
8 Point of Interconnection pursuant to the Energy  
9 Payment Option selected by Seller in Section 4.12  
10 for a maximum of 46,884,000 kWh's per year. Said  
11 year shall start with the kWh's paid for on the  
12 regular January payment and end with the kWh's paid  
13 for on the regular December payment. All other  
14 kWh's produced in each year shall be paid for on the  
15 same basis as the Second Period Energy Payments as  
16 outlined in Section 12.3 herein. Said maximum kWh's  
17 may increase pursuant to the formula shown in  
18 Section 4.2a herein.

19 12.2.1 Energy Payment Option 1 -- Forecast of  
20 Annual Marginal Cost of Energy.

21 During the First Period of the Contract  
22 Term, Seller shall be paid a Monthly Energy  
23 Payment for Energy delivered by Seller and  
24 purchased by Edison during each month in the  
25 First Period of the Contract Term pursuant  
26 to the following formula:

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

2 Where A = kWh purchased by Edison during  
3 on-peak periods defined in  
4 Edison's Tariff Schedule  
5 No. TOU-8, as now in effect or  
6 as it may be from time to time  
7 amended.

8 B = kWh purchased by Edison during  
9 mid-peak periods defined in  
10 Edison's Tariff Schedule  
11 No. TOU-8, as now in effect or  
12 as it may be from time to time  
13 amended.

14 C = kWh purchased by Edison during  
15 off-peak periods defined in  
16 Edison's Tariff Schedule  
17 No. TOU-8, as now in effect or  
18 as it may be from time to time  
19 amended.

20 D = The sum of:  
21 (i) the appropriate time  
22 differentiated energy price  
23 from the Forecast of Annual  
24 Marginal Cost of Energy,  
25 multiplied by the decimal  
26 equivalent of the percentage of



1 the forecast specified in  
2 Section 4.12, and  
3 (ii) the appropriate time  
4 differentiated energy price  
5 from Edison's published avoided  
6 cost of energy multiplied by  
7 the decimal equivalent of the  
8 percentage of the published  
9 energy price specified in  
10 Section 4.12.

11 12.3 Energy Payments - Second Period

12 During the Second Period of the Contract Term,  
13 Seller shall be paid a Monthly Energy Payment for  
14 Energy delivered by Seller and purchased by Edison  
15 at a rate equal to 100% of Edison's published  
16 avoided cost of energy based on Edison's full  
17 avoided operating cost as updated periodically and  
18 accepted by the Commission, pursuant to the  
19 following formula:

20 MONTHLY ENERGY PAYMENT = kWh purchased by Edison for  
21 each on-peak, mid-peak, and  
22 off-peak time period defined in  
23 Edison's Tariff Schedule  
24 No. TOU-8, as now in effect or  
25 as it may be hereafter amended.

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x Edison's published avoided cost of energy by time of delivery for each time period.

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

12.4 If the installed Nameplate Rating of the Generating Facility is greater than the Nameplate Rating identified in Sections 4.2a, Edison shall calculate the kWh's for which it will pay Seller for Energy and Capacity by time of use periods as follows:

$$\frac{\text{Nameplate Rating as listed in Section 4.2a}}{\text{Installed and Connected Nameplate Rating}} \times \text{kWh's by Time of Use Period}$$

12.5 It has been determined that Seller has received approximately \$2.0 million which includes interest over and above Edison's Standard Offer No. 1 rates for the payment of Energy produced under QFID No. 6005. In addition, the cost to Seller of the Interconnection Facilities for QFID No. 6005 on an Added Facilities Basis, including interest should have been approximately \$162,000. Upon the execution of this Contract Edison shall determine the actual amounts due Edison including interest for the overpayment and Interconnection Facilities up to

PAYMENT TRACKING ACCOUNT  
OAK CREEK ENERGY SYSTEMS

DATE	PTA	PRIOR BALANCE	INTEREST RATE (%)	INTEREST (\$)	NEW BALANCE
BEGINNING BALANCE					2,016,033.00
PRINCIPAL REPAYMENT : 03/07/89-04/06/89	(4,167.00)	2,016,033.00	1.0417	21,001.02	2,032,867.02
INTEREST REPAYMENT : 03/07/89-04/06/89	(21,001.02)	2,032,867.02	0.0000	0.00	2,011,866.00
PRINCIPAL REPAYMENT : 04/06/89-05/04/89	(4,167.00)	2,011,866.00	1.0417	20,957.61	2,028,656.61
INTEREST REPAYMENT : 04/06/89-05/04/89	(20,957.61)	2,028,656.61	0.0000	0.00	2,007,699.00
PRINCIPAL REPAYMENT : 05/04/89-06/05/89	(4,167.00)	2,007,699.00	1.0417	20,914.20	2,024,446.20
INTEREST REPAYMENT : 05/04/89-06/05/89	(20,914.20)	2,024,446.20	0.0000	0.00	2,003,532.00
PRINCIPAL REPAYMENT : 06/05/89-07/05/89	(4,167.00)	2,003,532.00	1.0000	20,035.32	2,019,400.32
INTEREST REPAYMENT : 06/05/89-07/05/89	(20,035.32)	2,019,400.32	0.0000	0.00	1,999,365.00
PRINCIPAL REPAYMENT : 07/05/89-08/03/89	(4,167.00)	1,999,365.00	0.9583	19,159.91	2,014,357.91
INTEREST REPAYMENT : 07/05/89-08/03/89	(19,159.91)	2,014,357.91	0.0000	0.00	1,995,198.00
PRINCIPAL REPAYMENT : 08/03/89-09/01/89	(4,167.00)	1,995,198.00	0.9583	19,119.98	2,010,150.98
INTEREST REPAYMENT : 08/03/89-09/01/89	(19,119.98)	2,010,150.98	0.0000	0.00	1,991,031.00
PRINCIPAL REPAYMENT : 09/01/89-10/03/89	(4,167.00)	1,991,031.00	0.9583	19,080.05	2,005,944.05
INTEREST REPAYMENT : 09/01/89-10/03/89	(19,080.05)	2,005,944.05	0.0000	0.00	1,986,864.00
PRINCIPAL REPAYMENT : 10/03/89-11/02/89	(4,167.00)	1,986,864.00	0.9583	19,040.12	2,001,737.12
INTEREST REPAYMENT : 10/03/89-11/02/89	(19,040.12)	2,001,737.12	0.0000	0.00	1,982,697.00
PRINCIPAL REPAYMENT : 11/02/89-12/05/89	(4,167.00)	1,982,697.00	0.9583	19,000.19	1,997,530.19
INTEREST REPAYMENT : 11/02/89-12/05/89	(19,000.19)	1,997,530.19	0.0000	0.00	1,978,530.00
PRINCIPAL REPAYMENT : 12/05/89-01/05/90	(4,167.00)	1,978,530.00	0.9583	18,960.25	1,993,323.25
INTEREST REPAYMENT : 12/05/89-01/05/90	(18,960.25)	1,993,323.25	0.0000	0.00	1,974,363.00
PRINCIPAL REPAYMENT : 01/05/90-02/05/90	(4,167.00)	1,974,363.00	0.9167	18,098.99	1,988,294.99
INTEREST REPAYMENT : 01/05/90-02/05/90	(18,098.99)	1,988,294.99	0.0000	0.00	1,970,196.00
PRINCIPAL REPAYMENT : 02/05/90-03/07/90	(4,167.00)	1,970,196.00	0.9167	18,060.79	1,984,089.79
INTEREST REPAYMENT : 02/05/90-03/07/90	(18,060.79)	1,984,089.79	0.0000	0.00	1,966,029.00
PRINCIPAL REPAYMENT : 03/07/90-04/05/90	(27,690.55)	1,966,029.00	0.9167	18,022.59	1,956,361.04
INTEREST REPAYMENT : 03/07/90-04/05/90	(18,022.59)	1,956,361.04	0.0000	0.00	1,938,338.45

Pursuant to the contract, the PTA should have been established on the effective date of the contract (8-25-88). However, the PTA appears to have been in place on 2/7/89. Therefore, the date of 2/7/89 is used for the ECAC worksheet to insure integrity of numbers.

1 the execution date of this Contract. The total  
2 amount due Edison for the overpayments and the  
3 Interconnection Facilities shall be identified in a  
4 Payment Tracking Account ("PTA") and shall earn  
5 interest on a monthly basis at a rate equal to the  
6 Bank of America prime rate plus 1%. During the  
7 first twelve monthly payment periods after the  
8 effective date of this Contract, Edison shall deduct  
9 \$4,167 from Seller's payment for Energy and  
10 Capacity. Said \$4,167 shall be applied towards the  
11 Principal of the PTA as a credit to reduce the  
12 amount due to Edison in the PTA. At the end of this  
13 12 month period, any amount remaining in the PTA  
14 shall be repaid in equal monthly installments over  
15 the balance of the First Period of the Contract.  
16 Beginning on the effective date of this Contract,  
17 the Seller shall also pay the monthly interest due  
18 on the unpaid balance remaining in the PTA. Said  
19 interest payments shall be deducted from the funds  
20 due Seller for the purchase of Energy and Capacity  
21 pursuant to this Contract.

22 13. PAYMENT AND BILLING PROVISIONS

23 13.1 For Energy and Capacity purchased by Edison:

24 13.1.1 Edison shall mail to Seller not later than  
25 thirty days after the end of each monthly  
26 billing period (1) a statement showing the

1 Energy and Contract Capacity delivered to  
2 Edison during the on-peak, mid-peak, and  
3 off-peak periods, as those periods are  
4 specified in Edison's Tariff Schedule  
5 No. TOU-8 for that monthly billing period,  
6 (2) Edison's computation of the amount due  
7 Seller, and (3) Edison's check in payment of  
8 said amount.

9 13.1.2 If the monthly payment period involves  
10 portions of two different published Energy  
11 payment schedule periods, the monthly Energy  
12 payment shall be prorated on the basis of  
13 the percentage of days at each price.

14 13.1.3 If the payment period is less than 27 days  
15 or greater than 33 days, the capacity  
16 payment shall be prorated on the basis of  
17 the average days per month per year.

18 13.1.4 If within thirty days of receipt of the  
19 statement Seller does not make a report in  
20 writing to Edison of an error, Seller shall  
21 be deemed to have waived any error in  
22 Edison's statement, computation, and  
23 payment, and they shall be considered  
24 correct and complete.

25 13.2 For electric service provided by Edison:

26 //

1 13.2.1 Under Operating Option III pursuant to  
2 Section 8.1, standby electric service shall  
3 be provided under terms and conditions of  
4 Edison's tariff schedule indicated below as  
5 now in effect or as may hereafter be  
6 authorized by the Commission to be revised.  
7 The applicable tariff schedules are:

<u>STANDBY TARIFF</u>	<u>ELECTRIC SERVICE TARIFF</u>
<u>SCHEDULE NO.</u>	
SCG-1	TOU-8 or GS-2
SCG-2	TOU-8
SCG-3	TOU-8

12 13.2.1.1 (Applicable to SCG-1 only) The  
13 Standby Demand for calculation of  
14 the standby charge in SCG-1 is  
15 specified in Section 4.9. Edison  
16 reserves the right to adjust the  
17 Standby Demand based on recorded  
18 demand during periods standby  
19 power is required.

20 13.2.1.2 (Applicable to SCG-1 only) The  
21 capacity rating for determination  
22 of standby waiver qualifications  
23 shall be Contract Capacity plus  
24 the maximum electric load served  
25 by the Generating Facility during  
26 the on-peak time period recorded

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during the preceding 12-month time period.

13.2.1.3 A minimum monthly charge may be established for standby electric service as provided in the tariff schedule elected in Section 4.9. Said minimum monthly charge shall be specified in Section 4.9.

13.2.2 Under Operating Options II and III pursuant to Section 8.1, electric service shall be provided under terms, conditions, and rates of Edison's tariff schedule indicated below as now in effect or as may hereafter be authorized by the Commission to be revised. The applicable tariff schedule is:

GS-1

The contract demand for calculation of the minimum demand charge in the applicable tariff schedules is specified in Section 4.9.

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

13.3 Monthly charges associated with Interconnection Facilities shall be billed pursuant to the

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1 Interconnection Facilities Agreement contained in  
2 the Appendix specified in Section 4.10.

3 14. TAXES

4 14.1 Seller shall pay ad valorem taxes and other taxes  
5 properly attributable to the Project. If such taxes  
6 are assessed or levied against Edison, Seller shall  
7 pay Edison for such assessment or levy.

8 14.2 Seller shall pay ad valorem taxes and other taxes  
9 properly attributed to land, land rights, or  
10 interest in land for the Project. If such taxes are  
11 assessed or levied against Edison, Seller shall pay  
12 Edison for such assessment or levy.

13 14.3 If the Interconnection Facilities are owned by  
14 Edison, Edison shall pay ad valorem taxes and other  
15 taxes properly attributed to said facilities. If  
16 such taxes are assessed or levied against Seller,  
17 Edison shall pay Seller for such assessment or levy.

18 14.4 Seller or Edison shall provide information  
19 concerning the Project to any requesting taxing  
20 authority.

21 15. LIABILITY

22 15.1 Each Party (First Party) releases the other Party  
23 (Second Party), its directors, officers, employees  
24 and agents from any loss, damage, claim, cost,  
25 charge, or expense of any kind or nature (including  
26 any direct, indirect or consequential loss, damage,



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

14 15.2 Each Party shall indemnify and hold harmless the  
15 other Party, its directors, officers, and employees  
16 or agents from and against any loss, damage, claim,  
17 cost, charge, (including direct, indirect or  
18 consequential loss, damage, claim, cost, charge, or  
19 expense), including attorneys' fees and other costs  
20 of litigation, incurred by the other Party in  
21 connection with the injury to or death of any person  
22 or damage to property of a third party arising out  
23 of the indemnifying Party's construction,  
24 engineering, repair, supervision, inspection,  
25 testing, protection, operation, maintenance,  
26 replacement, reconstruction, use, or ownership of

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

18 15.3 The provisions of this Section 15 shall not be  
19 construed so as to relieve any insurer of its  
20 obligations to pay any insurance claims in  
21 accordance with the provisions of any valid  
22 insurance policy.

23 15.4 Neither Party shall be indemnified under this  
24 Section 15 for its liability or loss resulting from  
25 its sole negligence or willful misconduct.

26 //

1 16. INSURANCE

2 16.1 Until Contract is terminated, Seller shall obtain  
3 and maintain in force as hereinafter provided  
4 comprehensive general liability insurance, including  
5 contractual liability coverage, with a combined  
6 single limit of not less than \$1,000,000 each  
7 occurrence. The insurance carrier or carriers and  
8 form of policy shall be subject to review and  
9 approval by Edison.

10 16.2 Seller shall (i) furnish certificate of insurance to  
11 Edison, which certificate shall provide that such  
12 insurance shall not be terminated nor expire except  
13 on thirty days prior written notice to Edison,  
14 (ii) maintain such insurance in effect for so long  
15 as Seller's Generating Facility is operated in  
16 parallel with Edison's electric system, and  
17 (iii) furnish to Edison an additional insured  
18 endorsement with respect to such insurance in  
19 substantially the following form:

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

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

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

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

16 If the requirement of Section 16.2(iii) prevents  
17 Seller from obtaining the insurance required in  
18 Section 16.1 then upon written notification by  
19 Seller to Edison, Section 16.2(iii) shall be waived.

20 16.3 If Seller fails to comply with the provisions of  
21 this Section 16, Seller shall, at its own cost,  
22 defend, indemnify, and hold harmless Edison, its  
23 directors, officers, employees, agents, assigns, and  
24 successors in interest from and against any and all  
25 loss, damage, claim, cost, charge, or expense of any  
26 kind or nature (including direct, indirect or

1 consequential loss, damage, claim, cost, charge, or  
2 expense, including attorneys' fees and other costs  
3 of litigation) resulting from the death or injury to  
4 any person or damage to any property, including the  
5 personnel and property of Edison, to the extent that  
6 Edison would have been protected had Seller complied  
7 with all of the provisions of this Section 16.

8 17. UNCONTROLLABLE FORCES

9 17.1 Neither Party shall be considered to be in default  
10 in the performance of any of the agreements  
11 contained in this Contract, except for obligations  
12 to pay money, when and to the extent failure of  
13 performance shall be caused by an Uncontrollable  
14 Force.

15 17.2 If either Party because of an Uncontrollable Force  
16 is rendered wholly or partly unable to perform its  
17 obligations under this Contract, the Party shall be  
18 excused from whatever performance is affected by the  
19 Uncontrollable Force to the extent so affected  
20 provided that:

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

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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), and

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.

19 17.3 In the event that either Party's ability to perform  
20 cannot be corrected when the Uncontrollable Force is  
21 caused by the actions or inactions of legislative,  
22 judicial or regulatory agencies or other proper  
23 authority, this Contract may be amended to comply  
24 with the legal or regulatory change which caused the  
25 nonperformance.

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1 All notices sent pursuant to this Section 20 shall be  
2 effective when received, and each Party shall be entitled  
3 to specify as its proper address any other address in the  
4 United States upon written notice to the other Party.

5 21. PREVIOUS COMMUNICATIONS

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

14 22. NONWAIVER

15 None of the provisions of the Contract shall be considered  
16 waived by either Party except when such waiver is given  
17 in writing. The failure of either Edison or Seller to  
18 insist on any one or more instances upon strict  
19 performance of any of the provisions of the Contract or  
20 to take advantage of any of its rights hereunder shall  
21 not be construed as a waiver of any such provisions or  
22 the relinquishment of any such rights for the future, but  
23 the same shall continue to remain in full force and  
24 effect.

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1 23. 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 24. 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 25. 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.

22 26. CONDITIONS PRECEDENT: This Contract shall not be in full  
23 force and effect until the following conditions have each  
24 been resolved to Edison's satisfaction:

25 26.1 Seller shall convey the interconnection Facilities  
26 for QFID No. 6234 to Edison.

1 26.2 The Parties shall execute a Tax Indemnity Agreement  
2 which shall provide for Seller to pay Edison the  
3 Contribution in Aid of Construction tax, on the  
4 Interconnection Facilities should Edison be required  
5 to pay the tax at a later date.

6 26.3 Seller shall arrange to have the necessary easements  
7 and other land rights, if any, conveyed to Edison  
8 for the Interconnection Facilities.

9 26.4 The Bankruptcy Court's final confirmation of  
10 Oak Creek's reorganization plan.

11 27. MULTIPLE ORIGINALS

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

14 28. SIGNATURES

15 IN WITNESS WHEREOF, the Parties hereto have executed this  
16 Contract this 25<sup>TH</sup> DAY of AUGUST, 1989.

17  
18 APPROVED AS TO FORM:  
19 DAVID N. BARRY, III  
20 Vice President and General Counsel  
21 By [Signature]  
22 August 24, 1989 Attorney

SOUTHERN CALIFORNIA EDISON COMPANY

23 By [Signature]  
24 Name Robert Dietch  
25 Title Vice President

OAK CREEK ENERGY SYSTEMS, INC.

26 By [Signature]  
Name G. H. Goldstick  
Title Chapter 11 Trustee  
Case No. 187-00654,  
subject to Bankruptcy  
Court approval

APPENDIX E  
TURBINE LISTINGS

<u>TURBINE TYPE</u>	<u>KW RATING</u>	<u>QUAN</u>	<u>TOTAL Kws/ TURB TYPE *</u>	<u>LOCATIONS</u>
Blue Max	50	40	2,000	
Lolland	110	50	5,500	
Lolland	75	21	1,575	
Jay Carter	25	41	1,025	
Vestas	65	7	455	
Bonus	65	51	3,315	
Micon	108	50	5,400	
Micon	65	66	4,290	
Nordtank	65	66	4,290	
Northwind	40	1	40	
Total		393 turbines	27,890 kW	

\* Kilowatt ratings for individual types of turbines are shown in order to clarify the source of the total park rating.

The types of turbines and their specific nameplate rating may be interchanged or substituted provided that the total kW's do not exceed 27,900 kW. The locations of turbines may be changed provided all turbines covered by this Contract are located on the real property identified in Section 4.2.b herein.