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**CLD NO. 372420**

**POWER PURCHASE CONTRACT  
BETWEEN  
SOUTHERN CALIFORNIA EDISON COMPANY  
AND  
BOXCAR II**

Please refer to this  
Contract/Project as:

WINDLAND, INC. (BOXCAR II)

**QF ID NO. 6097**

BOXCAR II

TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1	PROJECT SUMMARY	1
2	DEFINITIONS	5
3	TERM	11
4	GENERATING FACILITY	11
5	OPERATING OPTIONS	22
6	INTERCONNECTION FACILITIES	24
7	ELECTRIC LINES AND ASSOCIATED EASEMENTS	26
8	METERING	28
9	POWER PURCHASE PROVISIONS	29
10	PAYMENT AND BILLING PROVISIONS	40
11	TAXES	42
12	TERMINATION	42
13	LIABILITY	42
14	INSURANCE	45
15	UNCONTROLLABLE FORCES	47
16	NON-DEDICATION OF FACILITIES	49
17	PRIORITY OF DOCUMENTS	49
18	NOTICES AND CORRESPONDENCE	49
19	PREVIOUS COMMUNICATIONS	50
20	NON-WAIVER	50
21	SUCCESSORS AND ASSIGNS	51
22	EFFECT OF SECTION HEADINGS	51
23	GOVERNING LAW	51

BOXCAR II

TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
24	MULTIPLE ORIGINALS	52
	SIGNATURES	52
	INTERCONNECTION FACILITIES AGREEMENT	APPENDIX A
	FORECAST OF ANNUAL AS-AVAILABLE CAPACITY PAYMENT SCHEDULE	APPENDIX B
	FORECAST OF ANNUAL MARGINAL COST OF ENERGY PAYMENT SCHEDULE	APPENDIX C
	TOU-8 RATE SCHEDULE; RULE 21	APPENDIX D

BOXCAR II

1. PROJECT SUMMARY

This Contract is entered into between Southern California Edison Company ("Edison") and Windland, Incorporated, a California corporation, acting in its own behalf and in behalf of other owners, if any, as Project Managers, 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: 6994 El Camino Real, Suite 211  
Carlsbad, CA 92008

1.2 Seller's Generating Facility:

- a. Nameplate Rating: 8,000kW.
- b. Location: Sections 34, 35, and 36,  
Township 12 North, Range 14 West, SBB&M
- c. Type:  
Small Power Production Facility
- d. Delivery of power to Edison at a nominal  
12,000 volts.
- e. Seller shall commence construction of the  
Generating Facility by October 1985.

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BOXCAR II

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1.3 Edison Customer Service District:

Antelope Valley  
42060 10th Street W.  
Lancaster, CA 93534

1.4 Location of Edison Operating Switching Center:

~~VINCENT~~ ANTELOPE XXX  
Substation  
33301 Angeles Forest Highway  
Palmdale, CA 93350

1.5 Contract Capacity: -0- kW

1.5.1 Estimated as-available capacity: 8,000kW.

1.6 Expected annual production: 20,000,000 kWh.

1.7 Expected Firm Operation for each generating unit(s): December 1985.

1.8 Contract Term: 30 years.

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

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 10.2.

b. Contract demand 0 kW.

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BOXCAR II

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

- a. Electric service Tariff Schedule No. \_\_\_ pursuant to Section 10.2.
- b. Contract demand \_\_\_\_\_ kW.
- c. Standby Demand \_\_\_\_\_ kW pursuant to Section 10.2.
- d. Maximum electrical requirements expected \_\_\_\_\_ kW.
- e. Standby electric service Tariff Schedule No. \_\_\_ pursuant to Section 10.2.
- f. Minimum monthly charge for standby service \_\_\_\_\_.

1.10 Interconnection Facilities Agreement pursuant to Section 6 shall be:

- Added Facilities Basis (Appendix A)

1.11 The Capacity Payment Option selected by Seller pursuant to Section 9.1 shall be:

- X   Option A - As-available capacity based upon:
  - \_\_\_ Standard Offer No. 1 Capacity Payment Schedule, or
  - X   Forecast of Annual As-Available Capacity Payment Schedule. The as-available capacity price (first year): \$81 kW-yr. (Appendix B)

BOXCAR II

1 1.12 The Energy Payment Option selected by Seller

2 pursuant to Section 9.2 shall be:

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

6   Option 2 - Levelized Forecast of Marginal Cost  
7 of Energy in effect at date of execution of  
8 this Contract. Levelized Forecast for  
9 expected date of Firm Operation is 7.3¢/kWh.  
10 For the energy payment refund pursuant to  
11 Section 9.5 under Option 2, Edison's  
12 Incremental Cost of Capital is 15 %.

13 Seller may change once between Options 1 and 2,  
14 provided Seller delivers written notice of such  
15 change at least 90 days prior to the date of Firm  
16 Operation.

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

20  100  percent of Forecast of Marginal Cost of Energy  
21 (Annual or Levelized). and

22  0  percent of Edison's published avoided cost of  
23 energy based on Edison's full avoided  
24 operating costs as updated periodically and  
25 accepted by the Commission.

26 //

BOXCAR II

1 1.13 Metering Location

2 Seller elects metering location pursuant to

3 Section 8 as follows:

4 Edison's side of the Interconnection Facilities

5 2. DEFINITIONS

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

9 2.1 Appendix A: Interconnection Facilities Agreement

10 -- Added Facilities Basis

11 2.2 Appendix B: Forecast of Annual As Available

12 Capacity Payment Schedule

13 2.3 Appendix C: Forecast of Annual Marginal Cost of  
14 Energy

15 2.4 Capacity Payment Schedule(s): Published capacity  
16 payment schedule(s) as authorized by the Commission  
17 for as-available or firm capacity.

18 2.5 Commission: The Public Utilities Commission of the  
19 State of California.

20 2.6 Contract: This document and Appendices, as amended  
21 from time to time.

22 2.7 Contract Capacity: The electric power producing  
23 capability of the Generating Facility which is  
24 committed to Edison.  
25  
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BOXCAR II

1       2.8 Contract Term: Period in years commencing with date  
2           of Firm Operation for the first generating unit(s)  
3           during which Edison shall purchase electric power  
4           from Seller.

5       2.9 Edison: The Southern California Edison Company.

6       2.10 Edison Electric System Integrity: The state of  
7           operation of Edison's electric system in a manner  
8           which is deemed to minimize the risk of injury to  
9           persons and/or property and enables Edison to  
10          provide adequate and reliable electric service to  
11          its customers.

12       2.11 Emergency: A condition or situation which in  
13           Edison's sole judgment affects Edison Electric  
14           System Integrity.

15       2.12 Energy: Kilowatthours generated by the Generating  
16           Facility which are purchased by Edison at the Point  
17           of Interconnection.

18       2.13 Firm Operation: The date agreed on by the Parties  
19           on which each generating unit(s) of the Generating  
20           Facility is determined to be a reliable source of  
21           generation and on which such unit can be reasonably  
22           expected to operate continuously at its effective  
23           rating (expressed in kW).

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BOXCAR II

1 2.14 First Period: The period of the Contract Term  
2 specified in Section 3.1.

3 2.15 Forced Outage: Any outage other than a scheduled  
4 outage of the Generating Facility that fully or  
5 partially curtails its electrical output.

6 2.16 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 2.17 Generator: The generator(s) and associated prime  
12 mover(s), which are a part of the Generating  
13 Facility.

14 2.18 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 2.19 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 //

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BOXCAR II

1           Generating Facility in accordance with Edison's  
2           Tariff Rule No. 21 titled Cogeneration and Small  
3           Power Production Interconnection Standards filed  
4           with the Commission.

5       2.20 Interconnection Facilities Agreement: That document  
6           which is specified in Section 1.10 and is attached  
7           hereto.

8       2.21 KVAR: Reactive kilovolt-ampere, a unit of measure  
9           of reactive power.

10      2.22 Operate: To provide the engineering, purchasing,  
11           repair, supervision, training, inspection, testing,  
12           protection, operation, use, management, replacement,  
13           retirement, reconstruction, and maintenance of and  
14           for the Generating Facility in accordance with  
15           applicable California utility standards and good  
16           engineering practices.

17      2.23 Operating Representatives: Individual(s) appointed  
18           by each Party for the purpose of securing effective  
19           cooperation and interchange of information between  
20           the Parties in connection with administration and  
21           technical matters related to this Contract.

22      2.24 Parties: Edison and Seller.

23      2.25 Party: Edison or Seller.

24      2.26 Peak Months: Those months which the Edison annual  
25           system peak demand could occur. Currently, but  
26      //

BOXCAR II

1 subject to change with notice, the peak months for  
2 the Edison system are June, July, August, and  
3 September.

4 2.27 Point of Interconnection: The point where the  
5 transfer of electrical energy between Edison and  
6 Seller takes place.

7 2.28 Project: The Generating Facility and Interconnection  
8 Facilities required to permit operation of Seller's  
9 Generator in parallel with Edison's electric system.

10 2.29 Project Manager:

11 The entity responsible for operating and maintaining  
12 the Project on behalf of the owner(s) thereof.

13 2.30 Protective Apparatus: That equipment and apparatus  
14 installed by Seller and/or Edison pursuant to  
15 Section 4.2.

16 2.31 Qualifying Facility: Small Power Production Facility  
17 which meets the criteria as defined in Title 18,  
18 Code of Federal Regulations, Section 292.201 through  
19 292.207.

20 2.32 Second Period: The period of the Contract Term  
21 specified in Section 3.2.

22 2.33 Seller: The Party identified in Section 1.0.

23 2.34 Seller's Facility: The premises and equipment of  
24 Seller located as specified in Section 1.2.

25 2.35 Small Power Production Facility: The facilities and  
26 equipment which use biomass, waste, or renewable

BOXCAR II

1 resources, including wind, solar, geothermal, and  
2 water, to produce electrical energy as defined in  
3 Title 18, Code of Federal Regulations, Section  
4 292.201 through 292.207.

5 2.36 Summer Period: Defined in Edison's Tariff Schedule  
6 No. TOU-8 as now in effect or as may hereafter be  
7 authorized by the Commission.

8 2.37 Tariff Schedule No. TOU-8: Edison's time-of-use  
9 energy tariff for electric service exceeding 500 kW,  
10 as now in effect or as may hereafter be authorized  
11 by the Commission.

12 2.38 Uncontrollable Forces: Any occurrence beyond the  
13 control of a Party which causes that Party to be  
14 unable to perform its obligations hereunder and  
15 which a Party has been unable to overcome by the  
16 exercise of due diligence, including but not limited  
17 to flood, drought, earthquake, storm, fire,  
18 pestilence, lightning and other natural  
19 catastrophes, epidemic, war, riot, civil disturbance  
20 or disobedience, strike, labor dispute, action or  
21 inaction of legislative, judicial, or regulatory  
22 agencies, or other proper authority, which may  
23 conflict with the terms of this Contract, or  
24 failure, threat of failure or sabotage of facilities  
25 which have been maintained in accordance with good  
26 engineering and operating practices in California.

1 2.39 Winter Period: Defined in Edison's Tariff Schedule  
2 No. TOU-8 as now in effect or as may hereafter be  
3 authorized by the Commission.

4 3. TERM

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

11 3.1 The First Period of the Contract Term shall commence  
12 upon date of Firm Operation but not later than  
13 5 years from the date of execution of this Contract  
14 and shall be for 10 years.

15 3.2 The Second Period of the Contract Term shall commence  
16 upon expiration of the First Period and shall  
17 continue for the remainder of the Contract Term.

18 4. GENERATING FACILITY

19 4.1 Ownership

20 The Generating Facility shall be owned by Seller.

21 4.1.1 If the identity of the Project Manager  
22 changes for any reason, Edison shall have the  
23 right to approve the new Project Manager.  
24 Such approval shall be withheld only if the  
25 assests, financial condition, or operating  
26 capability of the proposed replacement

BOXCAR II

1 Project Manager gives Edison reasonable cause  
2 to doubt such entity's ability to adequately  
3 perform the duties of the Project Manager.  
4 To facilitate such approval, Edison may  
5 request Seller to furnish any material  
6 reasonably necessary for Edison to prudently  
7 approve a change in Project Manager.  
8 Therefore, except as in conflict with law,  
9 any financing documents, partnership  
10 agreements, or management contracts which  
11 specify the Project Manager's role shall  
12 specifically provide for Edison's right of  
13 approval of any new Project Manager. Such  
14 change in Project Manager and the approval  
15 thereof by Edison shall not operate to reduce  
16 the rights and obligations of the project  
17 owners under this agreement.

18 4.1.2 The Project Manager, shall have the authority  
19 to contract for the owners of the Project on  
20 all matters pertaining to the implementation  
21 of this Agreement. The Project Manager shall  
22 provide Edison with satisfactory evidence of  
23 its authority to act on behalf of the owners  
24 of the Project. Such evidence shall include,  
25 but not be limited to, authenticated copies  
26 of any partnership agreement(s), fictitious

BOXCAR II

1 business name statement(s), certificate(s) of  
2 partnership, and management agreement(s).

3 The Project Manager shall also provide Edison  
4 with authenticated copies of the  
5 Agreement(s), if any, appointing the Project  
6 Manager for purposes of this Agreement.

7 4.1.3 Edison's obligations to purchase capacity and  
8 Energy shall be contingent upon the  
9 compliance by Seller with the terms and  
10 conditions of this Section 4.1.

11 4.2 Design

12 4.2.1 Seller, at no cost to Edison, shall:

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

BOXCAR II

1 4.2.2 Edison shall have the right to:

2 a. Review the design of the Generating  
3 Facility's electrical system and the  
4 Seller's Interconnection Facilities. Such  
5 review may include, but not be limited to,  
6 the Generator, governor, excitation  
7 system, synchronizing equipment,  
8 protective relays, and neutral grounding.

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

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

23 4.2.3 Seller shall provide individual power factor  
24 correction capacitors for each induction  
25 generator. Such capacitors shall be switched  
26 on and off simultaneously with each of the

BOXCAR II

1 associated induction-type generator(s) of the  
2 Generating Facility. The KVAR rating of such  
3 capacitors shall be the highest standard  
4 value which will not exceed such generators  
5 no-load KVAR requirement. Seller shall not  
6 install power factor correction in excess of  
7 that required by this Section unless agreed  
8 to in writing by the Parties.

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

21 4.3 Construction

22 Edison shall have the right to review, consult with,  
23 and make recommendations regarding Seller's  
24 construction schedule and to monitor the  
25 construction and start-up of the Project. Seller  
26 shall notify Edison, at least one year prior to Firm

1 Operation, of changes in Seller's Construction  
2 Schedule which may affect the date of Firm Operation.

3 4.4 Operation

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

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

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

24 Edison shall have the right to have a  
25 representative present at each event.

26 //

BOXCAR II

1           4.4.3 Edison shall have the right to require Seller  
2           to disconnect the Generator from the Edison  
3           electric system or to reduce the electrical  
4           output from the Generator into the Edison  
5           electric system, whenever Edison determines,  
6           in its sole judgement, that such a  
7           disconnection is necessary to facilitate  
8           maintenance of Edison's facilities, or to  
9           maintain Edison Electric System Integrity.  
10          Each Party shall endeavor to correct, within  
11          a reasonable period, the condition on its  
12          system which necessitates the disconnection  
13          or the reduction of electrical output. The  
14          duration of the disconnection or the  
15          reduction in electrical output shall be  
16          limited to the period of time such a  
17          condition exists.

18          4.4.4 The Generating Facility shall be operated  
19          with all of Seller's Protective Apparatus in  
20          service whenever the Generator is connected  
21          to or is operated in parallel with the Edison  
22          electric system. Any deviation for brief  
23          periods of emergency or maintenance shall  
24          only be by agreement of the Parties.

25          4.4.5 Each Party shall keep the other Party's  
26          Operating Representative informed as to the

BOXCAR II

operating schedule of their respective facilities affecting each other's operation hereunder, In addition, Seller shall provide Edison with reasonable advance notice regarding its scheduled outages. Reasonable advance notice is as follows:

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

4.4.6 Notification by each Party's Operating

Representative of outage date and duration should be directed to the other Party's Operating Representative by telephone.

4.4.7 Seller shall not schedule major overhauls during Peak Months.

4.4.8 Seller shall maintain an operating log at Seller's Facility with records of: real and reactive power production; changes in operating status, outages, Protective Apparatus operations; and any unusual conditions found during inspections. In addition, Seller shall maintain records applicable to the Generating Facility, including the electrical characteristics of the Generator and settings or adjustments of the Generator control equipment and

BOXCAR II

1 protective devices. Information maintained  
2 pursuant to this Section 4.4.8 shall be  
3 provided to Edison, within 30 days of  
4 Edison's request.

5 4.4.9 If, at any time, Edison doubts the integrity  
6 of any of Seller's Protective Apparatus and  
7 believes that such loss of integrity would  
8 impair the Edison Electric System Integrity,  
9 Seller shall demonstrate, to Edison's  
10 satisfaction, the correct calibration and  
11 operaton of the equipment in question.

12 4.4.10 Seller shall test all protective devices  
13 specified in Section 4.2 with qualified Edison  
14 personnel present at intervals not to exceed  
15 four years.

16 4.4.11 Seller shall, to the extent possible, provide  
17 reactive power for its own requirements, and  
18 where applicable, the reactive power losses of  
19 interfacing transformers. Seller shall not  
20 deliver excess reactive power to Edison unless  
21 otherwise agreed upon between the Parties.

22 4.4.12 The Seller warrants that the Generating  
23 Facility meets the requirements of a  
24 Qualifying Facility as of the effective date  
25 of this Contract and continuing through the  
26 Contract Term.

BOXCAR II

1           4.4.13 The Seller warrants that the Generating  
2                   Facility shall at all times conform to all  
3                   applicable laws and regulations. Seller  
4                   shall obtain and maintain any governmental  
5                   authorizations and permits for the continued  
6                   operation of the Generating Facility. If at  
7                   any time Seller does not hold such  
8                   authorizations and permits, Seller agrees to  
9                   reimburse Edison for any loss which Edison  
10                  incurs as a result of the Seller's failure to  
11                  maintain governmental authorization and  
12                  permits.

13           4.4.14 At Edison's request, Seller shall make all  
14                   reasonable effort to deliver power at an  
15                   average rate of delivery at least equal to  
16                   the Contract Capacity during periods of  
17                   Emergency. In the event that the Seller has  
18                   previously scheduled an outage coincident  
19                   with an Emergency, Seller shall make all  
20                   reasonable efforts to reschedule the outage.  
21                   The notification periods listed in  
22                   Section 4.4.5 shall be waived by Edison if  
23                   Seller reschedules the outage.

24           4.5   Maintenance

25           4.5.1 Seller shall maintain the Generating Facility  
26                   in accordance with applicable California

BOXCAR II

1 utility industry standards and good  
2 engineering and operating practices. Edison  
3 shall have the right to monitor such  
4 maintenance of the Generating Facility.  
5 Seller shall maintain and deliver a  
6 maintenance record of the Generating Facility  
7 to Edison's Operating Representatives upon  
8 request.

9 4.5.2 Seller shall make a reasonable effort to  
10 schedule routine maintenance during Off-Peak  
11 Months and expected minimal generation  
12 periods for renewable resources. Outages for  
13 scheduled maintenance shall not exceed a  
14 total of 30 peak hours for the Peak Months.

15 4.5.3 The allowance for scheduled maintenance is as  
16 follows:

- 17 a. Outage periods for scheduled maintenance  
18 shall not exceed 840 hours (35 days) in  
19 any 12-month period. This allowance may  
20 be used in increments of an hour or longer  
21 on a consecutive or nonconsecutive basis.
- 22 b. Seller may accumulate unused maintenance  
23 hours on a year-to-year basis up to a  
24 maximum of 1,080 hours (45 days). This  
25 accrued time must be used consecutively  
26 and only for major overhauls.

1 4.6 Any review by Edison of the design, construction,  
2 operation, or maintenance of the Project is solely  
3 for the information of Edison. By making such  
4 review, Edison makes no representation as to the  
5 economic and technical feasibility, operational  
6 capability, or reliability of the Project. Seller  
7 shall in no way represent to any third party that  
8 any such review by Edison of the Project, including  
9 but not limited to, any review of the design,  
10 construction, operation, or maintenance of the  
11 Project by Edison is a representation by Edison as  
12 to the economic and technical feasibility,  
13 operational capability, or reliability of said  
14 facilities. Seller is solely responsible for  
15 economic and technical feasibility, operational  
16 capability, or reliability thereof.

17 5. OPERATING OPTIONS

18 5.1 Seller shall elect in Section 1.9 to Operate its  
19 Generating Facility in parallel with Edison's  
20 electric system pursuant to one of the following  
21 options:

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

25 //

26 //

BOXCAR II

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 output  
6                    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 not  
14           more than once per year upon at least 90 days prior  
15           written notice to Edison. Edison shall not be  
16           required to remove or reserve capacity of  
17           Interconnection Facilities made idle by a change in  
18           operating options. Edison may dedicate any such idle  
19           Interconnection Facilities at any time to serve other  
20           customers or to interconnect with other electric  
21           power sources. Edison shall process requests for  
22           changes of operating option in the chronological  
23           order received.

24       5.2.1   When the Seller wishes to reserve  
25                   Interconnection Facilities paid for by the  
26                   Seller but idled by a change in operation

BOXCAR II

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

16 6. INTERCONNECTION FACILITIES

17 6.1 The Parties shall execute an Interconnection  
18 Facilities Agreement selected by Seller in  
19 Section 1.10, covering the design, installation,  
20 operation and maintenance of the Interconnection  
21 Facilities required in Edison's sole judgment, to  
22 permit an electrical interface between the Parties  
23 pursuant to Edison's Tariff Rule No. 21.

24 6.2 The cost for the Interconnection Facilities set forth  
25 in the appendices specified in Section 1.10, are  
26 estimates only for Seller's information and will be

BOXCAR II

1 adjusted to reflect recorded costs after installation  
2 is complete; except that, upon Seller's written  
3 request to Edison, Edison shall provide a binding  
4 estimate which shall be the basis for the  
5 Interconnection Facilities cost in the Interconnection  
6 Facilities Agreement executed by the Parties.

7 6.3 The nature of the Interconnection Facilities and the  
8 Point of Interconnection shall be set forth either by  
9 equipment lists or appropriate one-line diagrams and  
10 shall be attached to the appropriate appendix  
11 specified in Section 1.10.

12 6.4 The design, installation, operation, maintenance, and  
13 modifications of the Interconnection Facilities shall  
14 be at Seller's expense.

15 6.5 Seller shall not commence parallel operation of the  
16 Generating Facility until written approval for  
17 operation of the Interconnection Facilities has been  
18 received from Edison. The Seller shall notify Edison  
19 at least forty-five days prior to the initial  
20 energizing of the Point of Interconnection. Edison  
21 shall have the right to inspect the Interconnection  
22 Facilities within thirty days of receipt of such  
23 notice. If the facilities do not pass Edison's  
24 inspection, Edison shall provide in writing the  
25 reasons for this failure within five days of the  
26 inspection.

BOXCAR II

1 6.6 Seller, at no cost to Edison, shall acquire all  
2 permits and approvals and complete all environmental  
3 impact studies necessary for the design, installation,  
4 operation, and maintenance of the Interconnection  
5 Facilities.

6 6.7 To accommodate power deliveries from Seller's  
7 Generating Facility under this Contract, Edison shall  
8 allocate to Seller existing available Edison line  
9 capacity, and a priority for said line capacity in  
10 accordance with the terms of this Contract, Edison's  
11 Tariff Rule No. 21, and Edison's Interconnection  
12 Priority Procedure ("IPP"), as now established and as  
13 it may be changed periodically by the CPUC. Seller  
14 acknowledges that it has read Edison's Tariff Rule  
15 No. 21 and the IPP and understands its obligations  
16 and the consequences if it fails to meet any of the  
17 performance objectives ("milestones") in the IPP.

18 7. ELECTRIC LINES AND ASSOCIATED EASEMENTS

19 7.1 Edison shall, as it deems necessary or desirable,  
20 build electric lines, facilities and other equipment,  
21 both overhead and underground, on and off Seller's  
22 Facility, for the purpose of effecting the agreements  
23 contained in this Contract. The physical location of  
24 such electric lines, facilities and other equipment  
25 on Seller's Facility shall be determined by agreement  
26 of the Parties.

BOXCAR II

1 7.2 Seller shall reimburse Edison for the cost of  
2 acquiring property rights off Sellers's Facility  
3 required by Edison to meet its obligations under  
4 this Contract.

5 7.3 Seller shall grant to Edison, without cost to Edison,  
6 and by an instrument of conveyance, acceptable to  
7 Edison, rights of way, easements and other property  
8 interests necessary to construct, reconstruct, use,  
9 maintain, alter, add to, enlarge, repair, replace,  
10 inspect and remove, at any time, the electric lines,  
11 facilities or other equipment, both overhead and  
12 underground, which are required by Edison to effect  
13 the agreements contained in the Contract. Seller  
14 shall also grant the rights of ingress and egress at  
15 all reasonable times necessary for Edison to perform  
16 the activities contemplated in the Contract.

17 7.4 The electric lines, facilities, or other equipment  
18 referred to in this Section 7 installed by Edison on  
19 or off Seller's Facility shall be and remain the  
20 property of Edison.

21 7.5 Edison shall have no obligation to Seller for any  
22 delay or cancellation due to inability to acquire a  
23 satisfactory right of way, easements, or other  
24 property interests.

25 //

26 //

BOXCAR II

1 8. METERING

2 8.1 All meters and equipment used for the measurement of  
3 electric power for determining Edison's payments to  
4 Seller pursuant to this Contract shall be provided,  
5 owned, and maintained by Edison at Seller's expense  
6 in accordance with Edison's Tariff Rule No. 21.

7 8.2 All meters and equipment used for billing Seller for  
8 electric service provided to Seller by Edison under  
9 Operating Options II or III shall be provided,  
10 owned, and maintained by Edison at Edison's expense  
11 in accordance with Edison's Tariff Rule No. 16.

12 8.3 The meters and equipment used for measuring the  
13 Energy sold to Edison shall be located on the side  
14 of the Interconnection Facilities as specified by  
15 Seller in Section 1.13. If the meters are placed on  
16 Edison's side of the Interconnection Facilities,  
17 service shall be provided at the available  
18 transformer high-side voltage.

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

25 8.5 Edison's meters shall be sealed and the seals shall  
26 be broken only when the meters are to be inspected,

BOXCAR II

1 tested, or adjusted by Edison. Seller shall be  
2 given reasonable notice of testing and have the  
3 right to have its Operating Representative present  
4 on such occasions.

5 8.6 Edison's meters installed pursuant to this Contract  
6 shall be tested by Edison, at Edison's expense, at  
7 least once each year and at any reasonable time upon  
8 request by either Party, at the requesting Party's  
9 expense. If Seller makes such request, Seller shall  
10 reimburse said expense to Edison within thirty days  
11 after presentation of a bill therefor.

12 8.7 Metering equipment found to be inaccurate shall be  
13 repaired, adjusted, or replaced by Edison such that  
14 the metering accuracy of said equipment shall be  
15 within two percent. If metering equipment  
16 inaccuracy exceeds two percent, the correct amount  
17 of Energy and Contract Capacity delivered during the  
18 period of said inaccuracy shall be estimated by  
19 Edison and agreed upon by the Parties.

20 9. POWER PURCHASE PROVISIONS

21 Prior to the date of Firm Operation, Seller shall be paid  
22 for Energy only pursuant to Edison's published avoided  
23 cost of energy based on Edison's full avoided operating  
24 cost as periodically updated and accepted by the  
25 Commission. If at any time Energy can be delivered to  
26 Edison and Seller is contesting the claimed jurisdiction

BOXCAR II

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

11 9.1 Capacity Payments

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

21 9.1.1 Capacity Payment Option A -- As Available  
22 Capacity.

23 Seller shall be paid a monthly capacity payment  
24 calculated pursuant to the following formula:

25 //

26 //

BOXCAR II

1 Monthly Capacity Payment = (A x D)+(B x D)+(C x D)

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

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

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

13 D = The appropriate time  
14 differentiated capacity price  
15 from the Forecast of Annual  
16 As-Available Capacity Payment  
17 Schedule as specified by Seller  
18 in Section 1.11.

19 9.1.1.1 The formula set forth in Section  
20 9.1.1 shall be computed as follows:

- 21 a. During the First Period of the  
22 Contract Term D shall equal the  
23 appropriate time differentiated  
24 capacity price from the Forecast of  
25 Annual As-Available Capacity Payment  
26 Schedule.

BOXCAR II

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

17    9.2   Energy Payments - First Period

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

BOXCAR II

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

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

10 Monthly Energy Payment = (A x D) + (B x D) + (C x D)

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

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

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

23           D = The sum of:

- 24           (i)       the appropriate time differentiated  
25                           energy price from the Forecast of  
26                           Annual Marginal Cost of Energy,

BOXCAR II

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

10 9.2.2 Energy Payment Option 2 -- Levelized Forecast  
11 of Marginal Cost of Energy.

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

18 Monthly Energy Payment = (A x D) + (B x D) + (C x D)

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

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

BOXCAR II

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

5 D = The sum of:

6 (i) the appropriate time differentiated  
7 energy price from the Levelized Forecast  
8 of Marginal Cost of Energy, for the First  
9 Period of the Contract Term multiplied by  
10 the decimal equivalent of the percentage  
11 of the levelized forecast specified in  
12 Section 1.12, and

13 (ii) the appropriate time differentiated  
14 energy price from Edison's published  
15 avoided cost of energy multiplied by the  
16 decimal equivalent of the percentage of  
17 the published energy price specified in  
18 Section 1.12.

19 9.2.2.1 Performance Requirement for Energy  
20 Payment Option 2

21 During the First Period when the annual  
22 forecast referred to in Section 9.2.1 is  
23 greater than the levelized forecast referred  
24 to in Section 9.2.2, Seller shall deliver to  
25 Edison at least 70 percent of the average  
26 annual kWh delivered to Edison during those

BOXCAR II

1 previous periods when the levelized  
2 forecast referred to in Section 9.2.2  
3 is greater than the annual forecast  
4 referred to in Section 9.2.1 as  
5 resource conditions permit for solar,  
6 wind, and hydro Generating Facilities  
7 and excluding uncontrollable forces.  
8 If Seller does not meet the  
9 performance requirements of this  
10 Section 9.2.2.1, Seller shall be  
11 subject to Section 9.5.

12 9.3 Energy Payments - Second Period

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

20 Monthly Energy Payment = kWh purchased by Edison for each  
21 on-peak, mid-peak, and off-peak  
22 time period defined in Edison's  
23 Tariff Schedule No. TOU-8  
24 x Edison's published avoided cost  
25 of energy by time of delivery  
26 for each time period.

BOXCAR II

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

4 9.4 Edison shall not be obligated to accept or pay for  
5 Energy, and may request Seller whose Generating  
6 Facility is one (1) MW or greater to discontinue or  
7 reduce delivery of Energy, for not more than 300  
8 hours annually during off-peak hours when (i)  
9 purchases would result in costs greater than those  
10 which Edison would incur if it did not purchase  
11 Energy from Seller but instead utilized an  
12 equivalent amount of Energy generated from another  
13 Edison source, or (ii) the Edison Electric System  
14 demand would require that Edison hydro-energy be  
15 spilled to reduce generation.

16 9.5 Energy Payment Refund

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

19 9.5.1 If Seller fails to perform the Contract  
20 obligations for any reason during the First  
21 Period of the Contract Term, or fails to meet  
22 the performance requirements set forth in  
23 Section 9.2.2.1, and at the time of such  
24 failure to perform, the net present value of  
25 the cumulative Energy payments received by  
26 Seller pursuant to Energy Payment Option 2

BOXCAR II

1 exceeds the net present value of what Seller  
2 would have been paid pursuant to Energy  
3 Payment Option 1, Seller shall make an energy  
4 payment refund equal to the difference in such  
5 net present values in the year in which the  
6 refund is due. The present value calculation  
7 shall be based upon the rate of Edison's  
8 incremental cost of capital specified in  
9 Section 1.12.

10 9.5.2 Not less than 90 days prior to the date Energy  
11 is first delivered to the Point of  
12 Interconnection, Seller shall provide and  
13 maintain a performance bond, surety bond,  
14 performance insurance, corporate guarantee,  
15 or bank letter of credit, satisfactory to  
16 Edison, which shall insure payment to Edison  
17 of the Energy Payment Refund at any time  
18 during the First Period. Edison may, in its  
19 sole discretion accept another form of  
20 security except that in such instance a 1-1/2  
21 percent reduction shall then apply to the  
22 levelized forecast referred to in  
23 Section 9.2.2 in computing payments for  
24 Energy. Edison shall be provided with  
25 certificates evidencing Seller's compliance  
26 with the security requirements in this

BOXCAR II

1 Section which shall also include the  
2 requirement that Edison be given 90 days  
3 prior written notice of the expiration of  
4 such security.

5 9.5.3 If Seller fails to provide replacement  
6 security not less than 60 days prior to the  
7 date of expiration of existing security, the  
8 Energy Payment Refund provided in Section 9.5  
9 shall be payable forthwith. Thereafter,  
10 payments for Energy shall be 100 percent of  
11 the Monthly Energy Payment provided in  
12 Section 9.2.1.

13 9.5.4 If Edison at any time determines the security  
14 to be otherwise inadequate, and so notifies  
15 Seller, payments thereafter for Energy shall  
16 be 100 percent of the Monthly Energy Payment  
17 provided in Section 9.2.1. If within 30 days  
18 of the date Edison gives notice of such  
19 inadequacies, Seller satisfies Edison's  
20 security requirements, Energy Payment Option  
21 2 shall be reinstated. If Seller fails to  
22 satisfy Edison's security requirements within  
23 the 30-day period, the Energy Payment Refund  
24 provided in Section 9.5 shall be payable  
25 forthwith.

26 //

1 10. PAYMENT AND BILLING PROVISIONS

2 10.1 For Energy and capacity purchased by Edison:

3 10.1.1 Edison shall mail to Seller not later than  
4 thirty days after the end of each monthly  
5 billing period (1) a statement showing the  
6 Energy and Contract Capacity delivered to  
7 Edison during the on-peak, mid-peak, and  
8 off-peak periods, as those periods are  
9 specified in Edison's Tariff Schedule No.  
10 TOU-8 for that monthly billing period, (2)  
11 Edison's computation of the amount due Seller,  
12 and (3) Edison's check in payment of said  
13 amount.

14 10.1.2 If the monthly payment period involves  
15 portions of two different published Energy  
16 payment schedule periods, the monthly Energy  
17 payment shall be prorated on the basis of the  
18 percentage of days at each price.

19 10.1.3 If the payment period is less than 27 days or  
20 greater than 33 days, the capacity payment  
21 shall be prorated on the basis of the average  
22 days per month per year.

23 10.1.4 If within thirty days of receipt of the  
24 statement Seller does not make a report in  
25 writing to Edison of an error, Seller shall be  
26 deemed to have waived any error in Edison's

BOXCAR II

1 statement, computation, and payment, and they  
2 shall be considered correct and complete.

3 10.2 For electric service provided by Edison:

4 10.2.1 Under Operating Options II and III pursuant  
5 to Section 5.1, electric service shall be  
6 provided under terms, conditions, and rates  
7 of Edison's tariff schedule indicated below  
8 as now in effect or as may hereafter be  
9 authorized by the Commission to be revised.

10 The applicable tariff schedule is:

11 GS-1

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

15 10.2.2 Edison shall commence billing Seller for  
16 electric service rendered pursuant to the  
17 applicable tariff schedule on the date that  
18 the Point of Interconnection is energized.

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

23 10.4 Energy Payment Refund

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

11. TAXES

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

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

11.3 Edison shall pay ad valorem taxes and other taxes properly attributed to the Interconnection Facilities. If such taxes are assessed or levied against Seller, Edison shall pay Seller for such assessment or levy.

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

12. TERMINATION

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

13. LIABILITY

13.1 Each Party (First Party) releases the other Party (Second Party), its directors, officers, employees and agents from any loss, damage, claim, cost,

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

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

BOXCAR II

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

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

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

26 //

14. INSURANCE

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

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

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

BOXCAR II

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

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

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

22 14.3 The requirements of this Section 14 shall not apply  
23 to Seller who is a self-insured governmental agency  
24 with established record of self-insurance.

25 14.4 If Seller fails to comply with the provisions of  
26 this Section 14, Seller shall, at its own cost,

BOXCAR II

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

13 15. UNCONTROLLABLE FORCES

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

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

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BOXCAR II

- 1 (1) the non-performing Party, within two weeks  
2 after the occurrence of the Uncontrollable  
3 Force, gives the other Party written notice  
4 describing the particulars of the occurrence,  
5 (2) the suspension of performance is of no greater  
6 scope and of no longer duration than is  
7 required by the Uncontrollable Force,  
8 (3) the non-performing Party uses its best efforts  
9 to remedy its inability to perform (this  
10 subsection shall not require the settlement of  
11 any strike, walkout, lockout or other labor  
12 dispute on terms which, in the sole judgment of  
13 the Party involved in the dispute, are contrary  
14 to its interest. It is understood and agreed  
15 that the settlement of strikes, walkouts,  
16 lockouts or other labor disputes shall be at  
17 the sole discretion of the Party having the  
18 difficulty), and  
19 (4) when the non-performing Party is able to resume  
20 performance of its obligations under this  
21 Contract, that Party shall give the other Party  
22 written notice to that effect.

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

BOXCAR II

1 authority, this Contract may be amended to comply  
2 with the legal or regulatory change which caused the  
3 nonperformance.

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

10 16. NON-DEDICATION OF FACILITIES

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

15 17. PRIORITY OF DOCUMENTS

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

20 18. NOTICES AND CORRESPONDENCE

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

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BOXCAR II

1 Southern California Edison Company  
2 Post Office Box 800  
3 Rosemead, California 91770  
4 Attention: Secretary

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

9 19. PREVIOUS COMMUNICATIONS

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

18 20. NON-WAIVER

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

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 Contract 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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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 16th of April, 1985.

SOUTHERN CALIFORNIA EDISON COMPANY

By [Signature]  
Name Edward A. Myers, Jr.  
Title Vice President

WINDLAND, INCORPORATED

By [Signature]  
Name Ronald Doskeland  
Title President

APPROVED AS TO FORM:  
JOHN R. BURY  
Vice President and General Counsel  
By [Signature]  
Attorney  
April 18, 1985

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APPENDIX B

FORECAST OF ANNUAL AS-AVAILABLE  
CAPACITY PAYMENT SCHEDULE

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APPENDIX B

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE - FORECAST OF

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

Line No.	Year	As-Available Capacity <sup>2</sup> (\$/kW-year)
1	1983	70
2	1984	76
3	1985	81
4	1986	87
5	1987	94
6	1988	101
7	1989	109
8	1990	117
9	1991	126
10	1992	148
11	1993	158
12	1994	169
13	1995	180
14	1996	194
15	1997	206

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

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

BOXCAR II

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

CAPACITY PAYMENT SCHEDULE - FORECAST OF

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

SEASONAL TIME OF DELIVERY

Line No.	Year	Season	Period	As-Available Capacity <sup>2</sup> (¢/kWh)
1	1983	Summer	On-Peak	6.960
2			Mid-Peak	0.106
3			Off-Peak	0.000
4		Winter	On-Peak	1.454
5			Mid-Peak	0.406
6			Off-Peak	0.021

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

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

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APPENDIX C

FORECAST OF ANNUAL MARGINAL COST OF ENERGY

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APPENDIX C

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE -

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

Line No.	Year	Annual Marginal Cost of Energy (¢/kWh)
1	1983	5.3
2	1984	5.6
3	1985	5.7
4	1986	6.0
5	1987	6.4
6	1988	6.9
7	1989	7.6
8	1990	8.1
9	1991	8.6
10	1992	9.3
11	1993	10.1
12	1994	10.9
13	1995	11.8
14	1996	12.6
15	1997	13.6

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

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

BOXCAR II

SOUTHERN CALIFORNIA EDISON COMPANY

LONG-TERM STANDARD OFFER

ENERGY PAYMENT SCHEDULE - FORECAST OF ANNUAL MARGINAL

COST OF ENERGY<sup>1</sup>

SEASONAL TIME OF DELIVERY

Line No.	Year	Season	Period	As-Available Capacity <sup>2</sup> (¢/kWh)
1	1983	Summer	On-Peak	5.8
2			Mid-Peak	5.5
3			Off-Peak	5.2
4		Winter	On-Peak	5.3
5			Mid-Peak	5.3
6			Off-Peak	5.2
7		Annual		5.3

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

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