



SOUTHERN CALIFORNIA
EDISON

An *EDISON INTERNATIONAL* Company

RENEWABLE POWER PURCHASE AND SALE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

GEYSERS POWER COMPANY, LLC

(RAP ID #3117)

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RENEWABLE POWER PURCHASE AND SALE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

GEYSERS POWER COMPANY, LLC

(RAP ID #3117)

PREAMBLE

This Renewable Power Purchase and Sale Agreement, together with the exhibits and attachments (collectively, the “Agreement”) is made and effective as of the following date: July 29, 2014 (“Effective Date”).

This Agreement is entered into between:

- (i) **Southern California Edison Company** (“SCE”), a California corporation, whose principal place of business is at 2244 Walnut Grove Avenue, Rosemead, California 91770, and
- (ii) **Geysers Power Company, LLC** (“Seller”), a Delaware limited liability company, whose principal place of business is at **717 Texas Avenue, Suite 1000, Houston, TX 77002**.

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

RECITALS

- A. Seller owns and Operates a Generating Facility which qualifies as of the Effective Date as an ERR, and is willing to sell the Product to SCE pursuant to the terms and conditions set forth in this Agreement; and
- B. SCE is willing to purchase the Product from Seller pursuant to the terms and conditions set forth in this Agreement.

ARTICLE ONE. SPECIAL CONDITIONS

1.01 Generating Facility.

- (a) Name: The Geysers Power Plant.
- (b) Location of Site: As set forth in Exhibit B.
- (c) Description: As set forth in Exhibit B.
- (d) Product: All Scheduled Amounts of electric energy produced by the Generating Facility throughout the Delivery Term; all Green Attributes related to all Allocated Metered Amounts; all Capacity Attributes and Resource Adequacy Benefits associated with or attributable to the Contract Capacity throughout the Delivery Term.
- (e) Interconnection Point: One or more of the Interconnection Points for the Units as described in Exhibit B.
- (f) Delivery Point(s): As related to the Allocated Metered Amounts, at any of the Geysers P-Nodes, as listed in Exhibit B; for purposes of the Scheduled Amounts and Inter-SC Trades, EZ Gen Hub NP-15 (the "Inter-SC Trade Delivery Point").
- (g) ERR Type: Geothermal.
- (h) Contract Capacity: 225 MW.
- (i) Expected Annual Net Energy Production.

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

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

Where:

A = Contract Capacity in kW.

B = 100% capacity factor.

C = 8,760 hours per year.

1.02 [Intentionally omitted].

1.03 Expected Term Commencement Date.

The Expected Term Commencement Date is June 1, 2017.

1.04 Term Commencement Deadline.

- (a) Subject to any extensions made pursuant to Section 5.03, and further subject to Section 1.04(c), the Term Commencement Date must be no later than the date 12 months after the Expected Term Commencement Date, ("Term Commencement Deadline").
- (b) [Intentionally omitted].

The contents of this document are subject to restrictions on disclosure as set forth herein.

- (c) Notwithstanding anything in this Agreement to the contrary, the Term Commencement Deadline may not be later than the date 12 months after the Expected Term Commencement Date.

1.05 Term.

The Term commences on the Term Commencement Date determined in accordance with Section 2.02 and ends on the last day of the calendar month that is 120 months (10 years) from the month in which the Term Commencement Date occurs.

1.06 Product Price.

- (a) Price: Subject to Sections 3.12(g), 4.01(c) and Exhibit E, the Product Price is sixty five dollars and no cents (\$65.00) per MWh, escalated at two and three-tenths percent (2.3%) per Term Year.
- (b) Excess Deliveries.
 - (i) If during any Settlement Interval Seller schedules to SCE Scheduled Amounts in excess of one hundred percent (100%) of the Contract Capacity in MWh per hour divided by the number of Settlement Intervals in one hour, then the Product Price applicable to all such excess MWh in such Settlement Interval shall be zero dollars (\$0), and if there is a Negative Day-Ahead LMP at the Inter-SC Trade Delivery Point during such Settlement Interval, Seller shall pay to SCE an amount equal to the absolute value of the Negative Day-Ahead LMP at the Inter-SC Trade Delivery Point times such excess MWh (“Negative LMP Costs”).
 - (ii) If during any Term Year Seller schedules to SCE Scheduled Amounts in excess of one hundred percent (100%) of the Expected Annual Net Energy Production for such Term Year, then the Product Price applicable to all such excess MWh in such Term Year shall be equal to seventy-five percent (75%) of the Product Price otherwise applicable under Section 1.06(a).
- (c) Allocated Metered Amounts Payments. If applicable, Seller will make a Monthly Excess Scheduled Amounts Damages Payment to SCE as provided in Section 4.01 and Exhibit E.

1.07 Performance Assurance Amount.

Commencing thirty (30) days after the Effective Date, Seller shall post and maintain the Term Commencement Date Security as provided in Section 3.06. Commencing with the Term Commencement Date and for every Term Year during the Term, Seller shall post and maintain Performance Assurance in a dollar amount equal to seventy-eight million two hundred fifty thousand dollars (\$78,250,000).

Seller and SCE agree that until the earlier of (i) the return to Seller of the Letter of Credit (the “Legacy Geysers Performance Assurance”) posted as Performance Assurance pursuant to Section 7.02 of that certain Renewable Power Purchase and Sale Agreement

between Geysers Power Company, LLC, and Southern California Edison Company, effective as of April 12, 2007 (RAP ID #3107, the "Legacy Geysers PPA,"); and (ii) Seller's posting of the full Performance Assurance Amount of seventy-eight million two hundred fifty thousand dollars (\$78,250,000) as either cash or a Letter of Credit pursuant to Section 8.02 of this Agreement; the Legacy Geysers Performance Assurance amount (as may change from time-to-time) will be deemed credited toward the Term Commencement Date Security and the Performance Assurance Amount required pursuant to this Section 1.07.

On or before the Term Commencement Date, Seller shall cause the Legacy Geysers Performance Assurance to be amended in the form of Exhibit S, and shall provide to SCE such amended Legacy Geysers Performance Assurance. Additionally, on or before the Term Commencement Date, Seller shall post either a Letter of Credit or cash, pursuant to Section 8.02 of the Agreement, in an amount equal to the difference between (i) the Performance Assurance Amount required by this Agreement (seventy-eight million two hundred fifty thousand dollars (\$78,250,000)) and (ii) the Legacy Geysers Performance Assurance.

1.08 [Intentionally omitted].

1.09 Curtailment Cap.

Forty-five thousand (45,000) MWh per Term Year, subject to the hourly limitations specified in Section 3.12(g)(iii) and to the pricing provisions of Section 4.01 and Exhibit E.

1.10 Federal Tax Credit.

Seller (check one box only):

- (a) _____ qualifies for and will take the Federal Investment Tax Credit.
- (b) _____ qualifies for and will take the Federal Production Tax Credit, and has selected to be eligible for Federal Production Tax Credit reimbursement under Section 4.01(d).
- (c) _____ qualifies for and will take the Federal Production Tax Credit, but has selected to not be eligible for Federal Production Tax Credit reimbursement under Section 4.01(d).
- (d) X will not take a Federal Tax Credit.

1.11 Compliance Expenditure Cap.

If Seller establishes to SCE's reasonable satisfaction that a change in Applicable Laws occurring after the Effective Date has increased Seller's cost above the cost that could reasonably have been contemplated as of the Effective Date to take all actions to comply with Seller's obligations under the Agreement with respect to obtaining, maintaining, conveying or effectuating SCE's use of (as applicable), the items listed in Sections 1.11(a) through (d), then Seller's required out-of-pocket expenses are limited to

one million five hundred thousand dollars (\$1,500,000) in the aggregate each Term Year (“Compliance Expenditure Cap”) between the Effective Date and the last day of the Term:

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

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

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

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

If SCE agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and SCE shall reimburse Seller for Seller’s actual costs to effect the Compliance Actions, not to exceed the Accepted Compliance Costs. If SCE does not agree to reimburse Seller for costs and expenses above the Compliance Expenditure Cap, and if Seller’s failure to take a Compliance Action is due solely to SCE’s election not to reimburse those excess costs and expenses, then all relevant covenants and obligations of Seller hereunder, including any adjustments in Monthly Product Payments or other payments to or by Seller, shall be modified as necessary to reflect the fact that Seller is not required to perform such Compliance Actions.

*** End of ARTICLE ONE ***

ARTICLE TWO. TERM AND CONDITIONS PRECEDENT; TERMINATION**2.01 Obligations Prior to Commencement of the Term.****(a) CPUC Filing and Approval of this Agreement.**

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

(b) [Intentionally omitted].**(c) [Intentionally omitted].****2.02 Conditions Precedent to Commencement of Term.****(a) Commencement of Term.**

The Term commences upon the Term Commencement Date.

(b) Pre-Commencement Requirements.

(i) The Term Commencement Date may not occur until each of the following has been satisfied:

- (1) All conditions set forth in Section 3.12(c) have been satisfied;
- (2) Seller has posted with SCE the Performance Assurance required under Section 8.02 calculated in accordance with Section 1.07; and
- (3) The Legacy Geysers PPA has reached the end of its term, as defined in the Legacy Geysers PPA.

2.03 Termination Rights.**(a) Termination Rights of the Parties.**

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

(i) Termination Rights of Both Parties.

- (1) Either Party has the right to terminate this Agreement on Notice, which will be effective five (5) Business Days after such Notice is given, if CPUC Approval has not been obtained or waived by SCE

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in its sole discretion within three hundred sixty-five (365) days after SCE files its request for CPUC Approval and a Notice of termination is given on or before the three hundred ninety-fifth (395th) day after SCE files the request for CPUC Approval.

- (ii) [Intentionally omitted];
- (iii) [Intentionally omitted].

(b) Uncured Defaults.

Upon the occurrence of an Event of Default (including the expiration of all applicable Notice and cure periods), the Non-Defaulting Party may terminate this Agreement as set forth in Section 6.02.

(c) End of Term.

This Agreement automatically terminates at the end of the Term as set forth in Section 1.05 unless earlier terminated as provided in this Agreement.

2.04 Rights and Obligations Surviving Termination.

(a) Survival of Rights and Obligations Generally.

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

- (i) [Intentionally omitted];
- (ii) The obligation of Seller to pay the Product Replacement Damage Amount as set forth in Section 3.07(b);
- (iii) The obligation to make, or the right to receive, a Termination Payment as set forth in Section 6.03;
- (iv) The indemnity obligations as set forth in Section 10.03;
- (v) The obligation of confidentiality as set forth in Section 10.10;
- (vi) The right to pursue remedies as set forth in Sections 6.02 and 12.04;
- (vii) The limitation of liabilities as set forth in Article Seven;
- (viii) A Party's obligation:
 - (1) To make or receive payment, as applicable, for CAISO Revenues and make payment for CAISO Costs and CAISO Sanctions, as applicable, during the Delivery Term as set forth in Article Four and Exhibit E; and

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- (2) To make or receive Product Payments as set forth in Exhibit E;
 - (ix) The covenants and indemnifications regarding the limitations on Seller's and Seller's Affiliates' ability to offer, make or agree to third party sales as set forth in Sections 2.04(b) and 3.06(h), if applicable;
 - (x) The obligation of Seller to pay to SCE the Development Security if SCE terminates this Agreement in accordance with Section 6.02 prior to Commercial Operation;
 - (xi) Except in the event of a termination of this Agreement due to an Event of Default by SCE, the obligation of Seller to post and maintain Performance Assurance as set forth in Section 8.02;
 - (xii) The dispute resolution provisions of Article Twelve;
 - (xiii) The obligation of SCE to return any Term Commencement Date Security under Section 3.06 and Performance Assurance under Section 8.02, as applicable; and
 - (xiv) Seller's obligations under Section 3.01(d)(iv).
- (b) Limitations on Seller's and Seller's Affiliates' Ability to Make or Agree to Third Party Sales from the Site after Certain Terminations of this Agreement.

If Seller terminates this Agreement, as provided in Section 5.04 (based on a Force Majeure as to which Seller is the Claiming Party), or if SCE terminates this Agreement as provided in Section 3.06(d), or due to an Event of Default of Seller prior to the Term Commencement Deadline, neither Seller nor Seller's Affiliates may sell, or enter into a contract to sell, electric energy, Green Attributes, Capacity Attributes, or Resource Adequacy Benefits, generated by, associated with or attributable to a pro rata portion of a generating facility installed at the Site to a party other than SCE for a period of two (2) years following the effective date of such termination (the "Restricted Period"). For purposes of this Section 2.04(b), the pro rata portion shall be the ratio of the Contract Capacity to the total generating capacity of the Generating Facility, which Seller and SCE agree is 225/725.

This prohibition on contracting and sale will not apply if, before entering into such contract or making a sale to a party other than SCE, Seller or Seller's Affiliate provides SCE with a written offer (i) if the Agreement was terminated pursuant to Section 3.06 or due to an Event of Default by Seller, to sell the electric energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to SCE at the Product Price (or lower) and on other terms and conditions materially similar to the terms and conditions contained in this Agreement, or (ii) if the Agreement was terminated due to a Force Majeure, to sell the electric energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to SCE at the same or lesser price and on the same or more favorable terms and

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conditions as are accepted by a third party purchaser, and in either case SCE fails to accept such offer within forty-five (45) days after SCE's receipt thereof.

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

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

*** *End of ARTICLE TWO* ***

ARTICLE THREE. SELLER'S OBLIGATIONS

3.01 Conveyance of Allocated Metered Amounts, Conveyance of Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

- (a) Electric Energy. For every hour during the Term, except as provided in Section 3.12(g), Seller and SCE shall enter into an Inter-SC Trade for the Scheduled Amounts, up to the Contract Capacity (unless otherwise agreed to by the Parties) at the Inter-SC Trade Delivery Point. Seller shall Schedule the Scheduled Amounts to the Delivery Point in accordance with all applicable CAISO requirements and the provisions of Exhibit D. Seller shall convey title to and risk of loss of all Scheduled Amounts to SCE at the Delivery Point.
- (b) Green Attributes. Seller hereby provides and conveys all Green Attributes associated with the Allocated Metered Amounts from the Project to SCE as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all such Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to SCE as included in the delivery of the Product from the Project.
- (c) Capacity Attributes and Resource Adequacy Benefits. Subject to Sections 1.11 and 3.03, Seller shall dedicate and convey any and all Capacity Attributes and Resource Adequacy Benefits associated with or attributable to the Contract Capacity throughout the Delivery Term to SCE and SCE shall be given sole title to all such Capacity Attributes and Resource Adequacy Benefits in order for SCE to meet its resource adequacy obligations under any Resource Adequacy Rulings. Seller represents, warrants and covenants to SCE that Seller:
 - (i) Prior to the Term Commencement Date, has reserved, and has not otherwise used, granted, pledged, assigned or otherwise committed a sufficient amount of the generating capacity of the Generating Facility to provide the Contract Capacity to meet the resource adequacy requirements of, and to confer Resource Adequacy Benefits on, SCE for use during the Delivery Term; and
 - (ii) Throughout the Delivery Term, will reserve, and will not otherwise use, grant, pledge, assign or otherwise commit a sufficient amount of the generating capacity of the Generating Facility to provide the Contract Capacity to meet the resource adequacy requirements of, and to confer Resource Adequacy Benefits on, SCE, free and clear of any claims on such Resource Adequacy Benefits by any other entity.
- (d) Further Action by Seller. Subject to Sections 1.11 and 3.03, throughout the Delivery Term, Seller shall, at its own cost, take all actions and execute all documents or instruments necessary to effectuate the use of the Green Attributes associated with the Allocated Metered Amounts and the Capacity Attributes and

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Resource Adequacy Benefits associated with the Contract Capacity for SCE's sole benefit throughout the Delivery Term, which actions include:

- (i) Cooperating with and encouraging the regional entity responsible for resource adequacy administration to certify or qualify the Contract Capacity for resource adequacy purposes;
 - (ii) Testing the Generating Facility in order to certify the Generating Facility for resource adequacy purposes;
 - (iii) Complying, subject to Section 1.11, with all current and future CAISO Tariff provisions that address resource adequacy and are applicable to the Generating Facility, including provisions regarding performance obligations and penalties, if applicable;
 - (iv) Complying with Applicable Laws regarding the certification and transfer of Renewable Energy Credits, including participation in the Western Renewable Energy Generation Information System ("WREGIS") or other process recognized under Applicable Laws for the registration, transfer or ownership of Green Attributes associated with the Generating Facility; and
 - (v) Committing to SCE the Allocated Metered Amounts from the Generating Facility, and effectuating the transfer to SCE of all WREGIS Certificates associated with or attributable to the Allocated Metered Amounts within five (5) Business Days of Seller's receipt of, or the creation in Seller's WREGIS account of, such WREGIS Certificates;
 - (vi) [Intentionally omitted].
- (e) Allocated Metered Amounts. Within five (5) Business Days following the end of each month during the Term, Seller shall prepare and provide to SCE a monthly report of Allocated Metered Amounts from the Units that will include a certification and supporting data, in the form set forth in Exhibit H (a "Monthly Report of Allocated Metered Amounts"). Upon SCE's request, Seller shall promptly provide to SCE any additional data and supporting documentation necessary for SCE to audit and verify information contained in the Monthly Report of Allocated Metered Amounts. Seller may subsequently modify a Monthly Report of Allocated Metered Amounts with SCE's consent, which consent may be given or withheld in SCE's reasonable discretion.

3.02 Resource Adequacy Performance Obligation.

- (a) Seller shall provide SCE with Resource Adequacy Benefits from the Units in the amount of the Contract Capacity; provided, however, that Seller shall only be required to provide SCE 225/725 of the Flexible RAR that is attributed by the CAISO to the Generating Facility as a whole. Seller shall designate the Units from which such Resource Adequacy Benefits will be supplied in its sole discretion.

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- (b) If the Units are not available to provide the full amount of the Contract Capacity of Resource Adequacy Benefits, Seller may elect to provide SCE with Resource Adequacy Benefits from one or more Replacement Units pursuant to Section 3.02(d) below. If Seller elects to provide Replacement Capacity and fails to do so or if Seller elects not to provide such Replacement Capacity, then Seller shall be liable for damages and/or shall indemnify SCE for penalties or fines as provided below.
- (c) Notwithstanding anything in Section 3.02(b) to the contrary, in the event that the Units have suffered a Forced Outage, Seller shall still be deemed to have provided SCE with the Resource Adequacy Benefits from the Units in the amount of the Contract Capacity so long as total Net Qualifying Capacity provided to SCE from the Units for its Supply Plan(s) has not been reduced.
- (d) Subject to Section 3.02(b) above, Seller shall provide SCE with Resource Adequacy Benefits in the amount of the Contract Capacity for each Showing Month consistent with the following: (i) Seller shall, on a timely basis, submit, or cause the Units' SC to submit, Supply Plans to identify and confirm the Unit Quantities provided to SCE so that the total amount of Unit Quantities identified and confirmed equals the Contract Capacity, unless specifically requested not to do so by SCE, and (ii) Seller shall, or shall cause the Units' SC to, submit written notification to SCE, no later than fifteen (15) Business Days before the relevant deadline for any applicable RAR or Local RAR RA Showing, that SCE will be credited with the Unit Quantities for the applicable period in the Units' SC Supply Plan so that the total amount of Unit Quantities credited equals the Contract Capacity.
- (e) If Seller has elected to provide Replacement Capacity from Replacement Units, but fails to provide SCE any portion of such Replacement Capacity for any Showing Month, whether due to Planned Outage or another reason, or Seller has elected not to provide Replacement Capacity from Replacement Units for any Showing Month and does not provide to SCE Resource Adequacy Benefits from the Units in an amount equal to the Contract Capacity for such Showing Month, then Seller shall pay to SCE an amount (the "RA Deficit Payments") equal to the product of the difference, expressed in kW, of (i) the Contract Capacity, minus (ii) the actual Resource Adequacy Benefits provided to SCE for such Showing Month ("RA Deficit"), multiplied by the current CPM Capacity price as listed in Section 43.7.1 of the CAISO Tariff or its equivalent successor (the "Multiplier"), expressed in \$/kW-month. Should the CPM Capacity price cease to be published by the CAISO and no equivalent successor is published, the Multiplier shall be equal to the last CPM Capacity price listed in the CAISO Tariff and escalated by two percent (2%) every twelve (12) months thereafter. In any event, the Multiplier may not exceed \$120/kW-year.
- (f) In the event SCE re-sells all or a portion of Resource Adequacy Benefits and associated rights ("Resold RA"), Seller agrees to follow SCE's instructions with

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respect to providing such Resold RA to subsequent purchasers of such Resold RA. Seller further agrees to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold RA. Seller acknowledges and agrees that with respect to any Resold RA, if SCE incurs any liability to any purchaser of such Resold RA due to the failure of Seller to comply with the terms of this Agreement, and Seller would have had liability to SCE under this Agreement for such failure had SCE not sold the Resold RA to a subsequent purchaser, then Seller shall be liable to SCE under this Agreement for the amounts it would have been liable to SCE for had such Resold RA not been sold to a subsequent purchaser; provided, however, that Seller's liability to a subsequent purchaser shall never be greater than the liability Seller would have incurred to SCE hereunder for the same circumstances or occurrences.

- (g) In the event there is any Resold RA, SCE agrees to notify Seller that such a sale has occurred and agrees to provide Seller with the information described in Exhibit G promptly following such sale. SCE also agrees to notify Seller of any subsequent changes to the information in Exhibit G with respect to any particular sale by the deadlines described in this Section 3.02.
- (h) Seller agrees to indemnify, defend and hold harmless SCE from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from (i) Seller's failure to comply with the requirements of Section 3.02(d), or (ii) Seller's failure to replace a shortfall in the amount of Resource Adequacy Benefits from Replacement Units after having elected to provide replacement Resource Adequacy Benefits in accordance with Section 3.02(b). With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall SCE be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties and fines. Seller will have no obligation to SCE under this Section 3.02(h) in respect of the portion of the shortfall in Resource Adequacy Benefits for which Seller has paid damages pursuant to Section 3.02(e). If Seller fails to pay those penalties, fines or costs, or fails to reimburse SCE for those penalties, fines or costs, then SCE may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Agreement.

3.03 Other Sales of Product.

- (a) Seller shall provide the Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to be provided hereunder from any one or more of the Units listed in Exhibit B (including, with SCE's consent, which may not be unreasonably withheld, any units added as provided in Section 3.03(c)), but, notwithstanding anything herein to the contrary, no Unit or Units are dedicated to providing such Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to SCE under this Agreement, and SCE shall not have the right to require that the Allocated Metered

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Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits be provided from any specific Unit or Units. Seller shall have the right to sell energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits from the Generating Facility to purchasers other than SCE so long as Seller retains sufficient generating capacity from the Generating Facility to provide SCE the Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits required hereunder.

- (b) With SCE's prior written consent, which consent may not be unreasonably withheld, Seller may add additional geothermal powered generating facility units that Seller either develops or purchases in the Geysers Known Geothermal Resource Area and that qualify and have been certified as ERRs to the list of Units designated in Exhibit B as eligible to provide Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits pursuant to the terms of this Agreement; *provided*, Seller must request SCE's consent to add such additional generating facility units no less than ninety (90) days prior to the first day of the calendar month in which Seller proposes to convey to SCE any Allocated Metered Amounts, Green Attributes, Capacity Attributes or Resource Adequacy Benefits from such generating facility units; *provided further*, that Seller shall provide to SCE, no later than thirty (30) days prior to the first day of the calendar month in which Seller proposes to convey to SCE any Allocated Metered Amounts, Green Attributes, Capacity Attributes or Resource Adequacy Benefits from such generating facility units such information as may be required to access the CAISO Approved Meter Data and Seller's settlement data on OMAR for such generating facility units.
- (c) Upon sixty (60) days written Notice to SCE, Seller may delete specific Units from the list of Units in Exhibit B designated as eligible to provide Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits; *provided*, that the Nominal Rating of all Units remaining after such deletion is not less than the Minimum Nominal Rating; *provided further*, that such deletion shall not excuse Seller from any performance obligations hereunder with respect to the Allocated Metered Amounts, Green Attributes, Capacity Attributes or Resource Adequacy Benefits to be conveyed to SCE.
- (d) Notwithstanding anything herein to the contrary, SCE shall have no right of review or approval with respect to, and Seller and its Affiliates will be free to develop and purchase, additional geothermal powered generating facility units in the Geysers Known Geothermal Resource Area that Seller does not seek to add to the list of Units designated in Exhibit B as eligible to provide Allocated Metered Amounts, Green Attributes, Capacity Attributes and Resource Adequacy Benefits pursuant to the terms of this Agreement.

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

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

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

- (a) Seller shall obtain and maintain throughout the Delivery Term any and all interconnection and transmission service rights and Permits required to effect delivery of the electric energy from the Generating Facility to the Delivery Point.
- (b) Seller shall be responsible for all costs and charges directly caused by, associated with, or allocated to the interconnection of the Generating Facility to the Transmission Provider's electric system and transmission of electric energy from the Generating Facility to the Delivery Point(s).
- (c) Seller shall comply with the CAISO Tariff, including securing and maintaining in full force all required CAISO agreements, certifications and approvals.
- (d) Seller shall secure through the CAISO the CAISO Resource ID(s) that is(are) to be used solely for this Generating Facility.
- (e) Seller shall comply with the requirements of Appendix H to Appendix CC of the CAISO Tariff.

3.06 Term Commencement Date Security.

(a) Amount.

Within thirty (30) days following the Effective Date, Seller shall post and thereafter maintain development security ("Term Commencement Date Security") equal to ten million one hundred twenty-five thousand dollars (\$10,125,000).

Prior to the Term Commencement Date, and provided the Legacy Geysers Performance Assurance is maintained in its full amount under the Legacy Geysers PPA, the Legacy Geysers Performance Assurance shall serve as the Term Commencement Date Security hereunder.

(b) Posting Requirements.

Within thirty (30) days following the Effective Date, Seller shall post the full amount of the Term Commencement Date Security in accordance with the following terms and conditions:

- (i) Seller shall either (x) post cash, or (y) post a Letter of Credit in the form of Exhibit M, or (z) amend the Legacy Geysers Performance Assurance in the form of Exhibit S to enable SCE to draw on an amount equal to the Term Commencement Date Security;

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- (ii) Any draw by SCE pursuant to the terms of this Agreement shall not excuse Seller from any obligation related to the maintenance and replenishment of the Legacy Geysers Performance Assurance under the Legacy Geysers PPA; and
- (iii) The Term Commencement Date Security shall be held by SCE as security for Seller achieving the Term Commencement Date on or before the Term Commencement Deadline.
- (c) If Seller posts any Term Commencement Date Security in cash, Seller will receive Simple Interest Payments in accordance with the procedure specified in Section 4.06 of this Agreement
- (d) Failure to Meet the Term Commencement Deadline.

Subject to Seller's right to extend the Term Commencement Deadline as provided in Section 5.03 (for Force Majeure where Seller is the Claiming Party), in the event that (i) Seller and SCE mutually agree that the Term Commencement Date will not occur on or before the Term Commencement Deadline; (ii) the Term Commencement Date will not occur due to any termination of this Agreement as a result of an Event of Default by Seller occurring on or before the Term Commencement Deadline; or (iii) Seller abandons the Generating Facility, SCE shall be entitled to:

- (A) Retain the entire Term Commencement Date Security, including the right to draw on and retain for its sole benefit any Letter of Credit and the proceeds thereof, up to the Term Commencement Date Security amount, as well as any cash, posted as Term Commencement Date Security hereunder; and
- (B) Terminate this Agreement;

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

If SCE terminates this Agreement pursuant to this Section 3.06(d), any amount of Term Commencement Date Security that Seller has not yet posted with SCE, or that has become deficient, will be immediately due and payable by Seller to SCE;

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provided, however, that if the Term Commencement Date Security is posted by amending the Legacy Geysers Performance Assurance as described above, SCE shall only draw on the Legacy Geysers Performance Assurance to the extent of the Term Commencement Date Security amount.

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

(e) Full Return of Term Commencement Date Security.

The Term Commencement Date Security will be returned to Seller (to the extent it is not retained by SCE as part of the Performance Assurance required on the Term Commencement Date) in each of the following circumstances:

(i) Subject to the Term Commencement Date occurring on or before the Term Commencement Deadline or any extended Term Commencement Deadline as provided in this Agreement, if Seller confirms by Notice to SCE, attested to by an officer of Seller, and as may be verified by SCE pursuant to Exhibit K, that the full Contract Capacity specified in Section 1.01(h) is available to SCE as of the Term Commencement Date; or

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

(f) Partial Return of the Development Security. If at the Term Commencement Deadline the Contract Capacity that Seller confirms is available to SCE is less than the Contract Capacity set forth in Section 1.01(h), then (to the extent it is not retained by SCE as part of the Performance Assurance required on the Term Commencement Date) Seller will be entitled to a return of only a portion of the Term Commencement Date Security equal to the product of forty five (\$45) per kilowatt times the kilowatts of Contract Capacity that Seller does confirm is available.

3.07 Seller's Energy Delivery Obligation.

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

(a) Performance Requirements.

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(i) Seller's Energy Delivery Obligation.

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

(ii) Event of Deficient Energy Deliveries.

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

(b) Product Replacement Damage Amount.

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

- (i) Within ninety (90) days after the end of the applicable Term Year, SCE shall calculate any Product Replacement Damage Amount as set forth in Exhibit F, and shall provide Notice to Seller of any Product Replacement Damage Amount owing, including a detailed explanation of, and rationale for, its calculation methodology, annotated work papers and source data.
- (ii) Seller shall have thirty (30) days after receipt of SCE's Notice to review SCE's calculation and either pay the entire Product Replacement Damage Amount claimed by SCE or pay any undisputed portion and provide Notice to SCE of the portion Seller disputes along with a detailed explanation of, and rationale for, Seller's calculation methodology, annotated work papers and source data.
- (iii) The Parties shall negotiate in good faith to resolve any disputed portion of the Product Replacement Damage Amount and shall, as part of such good faith negotiations, promptly provide information or data relevant to the dispute as each Party may possess which is requested by the other Party.
- (iv) If the Parties are unable to resolve a dispute regarding any Product Replacement Damage Amount within thirty (30) days after the sending of a Notice of dispute by Seller, either Party may submit the dispute to mediation and arbitration as provided in Article Twelve.

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(c) Continuing Obligations of Seller.

Notwithstanding any payment of a Product Replacement Damage Amount, all of Seller's obligations under Sections 3.01 and 3.02 continue to apply.

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

(a) CAISO Approved Meter.

Seller shall, at its own cost, install, maintain and test all CAISO Approved Meters for the Units pursuant to the CAISO Tariff.

(b) [Intentionally omitted].(c) SCE's Access to Meters.

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

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

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

(d) CAISO Approved Meter Maintenance.

(i) Seller shall test and calibrate the CAISO Approved Meters, as necessary, but in no event will the period between testing and calibration dates be greater than eighteen (18) months.

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

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

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

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

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

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(e) SCADA and Telemetry System.

All communication, metering, telemetry, and associated generation operation equipment will be centralized into the Generating Facility's SCADA. Seller shall be responsible for the costs of installing, configuring, maintaining and operating the SCADA and internal site links for the Generating Facility. Seller will cooperate with SCE in developing methods and associated telemetry and communications systems for automating the procedures of entering into the Inter-SC Trades contemplated by this Agreement.

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

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

- (i) Reporting data from each CAISO-Approved Meter;
- (ii) Providing the status of key control points from the Generating Facility's control system;
- (iii) Routing generating unit set points to the Generating Facility's control system; and
- (iv) [Intentionally omitted].

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

The above mentioned connections and data transfer must be fully functional before the Term Commencement Date.

(f) [Intentionally omitted].

(g) Real-Time Communication.

- (i) Prior to the Term Commencement Date, Seller shall install such two-way telecommunication systems as Seller and SCE have agreed will automate the process of entering into Inter-SC Trades under this Agreement.
- (ii) Seller shall maintain the telecommunications path, the hardware, and software that it installs pursuant to Section 3.08(g)(i) throughout the Delivery Term.
- (iii) Upon Notice from SCE, Seller shall repair or have corrected as soon as possible, but no later than five (5) days after receipt of such Notice any:
 - (1) Inoperable telecommunications path;
 - (2) Inoperable software; or

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(3) Faulty instrumentation.

3.09 Site Location and Control.

- (a) Subject to Section 3.02, this Agreement is specific to the Units that are set forth in Exhibit B and those Units added pursuant to Section 3.03. Seller may change the generating facilities supplying Allocated Metered Amounts only upon SCE's prior written consent, which consent shall not be unreasonably withheld, in accordance with Section 3.03(b).
- (b) Seller shall have Site Control of Units aggregating to at least the Minimum Nominal Rating throughout the Delivery Term.
- (c) Seller shall provide SCE with prompt Notice of any change in the status of Seller's Site Control that results in a Nominal Rating of less than or equal to the Minimum Nominal Rating.

3.10 Change in Structure, Ownership or Financing.

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

- (a) Seller's exact and complete name, form of organization, direct ownership or indirect ownership (if such change of indirect ownership results in a Change of Control) and state of incorporation or organization, or address of Seller's principal place of business;
- (b) Any new financing obtained by Seller after the Effective Date that is secured by the Generating Facility and any equity investments in Seller after the Effective Date from persons other than Affiliates of Seller.

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

3.11 Design.

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

- (a) Providing SCE advance Notice at the earliest practicable time of any proposed material changes in the Generating Facility that may impact Seller's ability to deliver the Contract Capacity and/or Allocated Metered Amounts, Green Attributes, Capacity Attributes and/or Resource Adequacy Benefits as contemplated under this Agreement, but in no event less than thirty (30) days before the changes are to be made. Upon SCE's reasonable request, Seller shall provide such technical information as may be required in order for SCE to evaluate the potential impact of the proposed material changes on Seller's obligations hereunder, and shall provide all specifications and drawings pertaining to any such changes as required for inclusion in Exhibit B. SCE shall retain the right to review such proposed changes and if such changes may

reasonably be expected to impact Seller's performance hereunder, accept or reject such changes in its sole discretion.

- (b) Providing to SCE, prior to the Term Commencement Date, and, in the event Seller plans to construct additional generating facility units at the Site as contemplated in Section 3.03, prior to commencement of any construction activities on the Site, a report from an independent engineer (acceptable to both SCE and Seller) certifying that Seller has a written plan for the safe construction and/or Operation of the Generating Facility, as applicable, in accordance with Prudent Electrical Practices.

3.12 Operation and Record Keeping.

- (a) Seller shall Operate the Generating Facility in accordance with Prudent Electrical Practices.
- (b) Seller shall comply with Operating orders in compliance with the CAISO Tariff.
- (c) On or prior to the Term Commencement Date:
 - (i) SCE shall have obtained or waived CPUC Approval;
 - (ii) Seller shall obtain CEC Certification;
 - (iii) [Intentionally omitted];
 - (iv) Seller shall have been authorized by the CAISO to Schedule the electric energy produced by the Generating Facility with the CAISO;
 - (v) Seller shall demonstrate to SCE's reasonable satisfaction that Seller has executed all necessary Transmission Provider and CAISO agreements;
 - (vi) [Intentionally omitted];
 - (vii) Seller shall be Forecasting to SCE in accordance with Exhibit D;
 - (viii) Seller shall commence delivering electric energy at the Delivery Point;
 - (ix) [Intentionally omitted];
 - (x) Seller or its Affiliate shall have registered with the NERC as the Generating Facility's Generator Owner and Generator Operator if Seller is required to be a registered entity pursuant to the NERC Reliability Standards; and
 - (xi) Seller shall have furnished to SCE all insurance documents required under Section 10.11.
- (d) Seller shall keep a daily operations log for the Units that shall include the following information:
 - (i) Availability of the Units;
 - (ii) Circuit breaker trip operations;

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- (iii) Any significant events related to the Operation of the Generating Facility;
 - (iv) Real and reactive power and energy production;
 - (v) Changes in Operating status;
 - (vi) Protective apparatus operations;
 - (vii) Any unusual conditions found during inspections;
 - (viii) Electric energy production, fuel consumption and efficiency (if applicable); and
 - (ix) Status and settings of generator controls including automatic voltage regulator and power system stabilizer.
- (e) Seller shall log changes in the generator output setting if it is “block-loaded” to a specific kW capacity.
- Seller shall maintain complete records of the Generating Facility’s fuel consumption if a biomass or landfill generating facility, or geothermal fluid consumption if a geothermal generating facility.
- (f) Seller shall keep a maintenance log for the Units that shall include information on maintenance (both breakdown and preventative) performed, outages, inspections, manufacturer recommended services and replacement, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices.
- Seller shall maintain documentation of all procedures applicable to the testing and maintenance of the Generating Facility protective devices as necessary to comply with NERC Reliability Standards applicable to protection systems for large electric generators, if Seller is required to be a registered entity pursuant to the NERC Reliability Standards.
- (g) Seller shall promptly curtail the production of the Generating Facility, or reduce the Scheduled Amounts, as applicable:
- (i) Upon Notice from the CAISO or Transmission Provider, as applicable, that Seller has been instructed by the CAISO or Transmission Provider to curtail energy deliveries; *provided*, solely the action of the CAISO issuing a Schedule shall not by itself constitute an instruction by the CAISO to curtail energy deliveries pursuant to this Section 3.12(g)(i);
 - (ii) Upon Notice that Seller has been given a curtailment order or similar instruction by the CAISO or Transmission Provider in order to respond to an Emergency; or
 - (iii) If SCE issues a Scheduled Amounts Curtailment Order; *provided*:

- (1) SCE communicates the Scheduled Amounts Curtailment Order to Seller at least ninety (90) minutes prior to the Day Ahead scheduling deadline for Inter-SC Trades; and
- (2) the Scheduled Amounts Curtailment Order does not order a curtailment of more than twenty five percent (25%) or less than twenty percent (20%) of the available capacity of the Units for any given hour; provided that, unless Seller has notified SCE that the available capacity is less than the Contract Capacity, SCE may assume that the twenty five percent (25%) limit and twenty percent (20%) minimum threshold on Scheduled Amounts Curtailment Orders are based on the Contract Capacity as set forth in Section 1.01(h).
- (iv) SCE shall not reimburse Seller for amounts curtailed in accordance with subsections (i) and (ii) above, but shall pay for amounts curtailed in accordance with subsection (iii) above to the extent provided in Section 4.01(c) and Exhibit E.
- (v) In any hour for which SCE issues a Scheduled Amounts Curtailment Order (a "Scheduled Amounts Curtailment Period"), SCE shall pay the Product Price for the Scheduled Amounts in excess of the amounts curtailed pursuant to such Scheduled Amounts Curtailment Order ("Remaining Scheduled Amounts") and Seller shall bear cost responsibility for any and all Negative LMP Costs at the Inter-SC Trade Delivery Point associated with the Remaining Scheduled Amounts.
- (h) Information maintained pursuant to this Section 3.12 shall be kept by Seller throughout the Delivery Term and shall be provided or made available to SCE within twenty (20) days after Notice following an event or occurrence which materially and adversely affects Seller's delivery of the Product hereunder or in connection with an audit or discovery request delivered by either Party hereunder.
- (i) Seller must be responsive to applicable CAISO Tariff rules.

3.13 Obtaining Scheduling Coordinator Services.

Seller shall comply with all applicable CAISO Tariff procedures, protocol, rules and testing in Scheduling Inter-SC Trades of Scheduled Amounts with SCE hereunder.

- (a) Seller To Be Scheduling Coordinator.
 - (i) Seller shall be the Scheduling Coordinator throughout the Delivery Term.
 - (ii) Throughout the Delivery Term, Seller may, with SCE's prior written consent, which consent may not be unreasonably withheld, authorize or designate another qualified party to act as Scheduling Coordinator on its behalf.
- (b) Inter-SC Trade Procedures.

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Delivery of Scheduled Amounts hereunder to the Delivery Point shall be effected through Inter-SC Trades of the Scheduled Amounts between Seller and SCE in the quantities and at the Inter-SC Trade Delivery Point as Scheduled by Seller pursuant to the terms of this Agreement. The Parties hereby agree as follows:

- (i) Unless otherwise agreed, SCE requires notification through a dedicated web portal or the Web Client, as applicable, access to which will be provided to Seller by SCE, of all day-ahead and hour-ahead Schedules; *provided*, if such web portal is unavailable, notification shall be provided by telephone in accordance with Exhibit C, followed by written electronic confirmation (e-mail preferred, facsimile accepted);
- (ii) Day-ahead Schedules shall be communicated via a dedicated web portal or the Web Client, as applicable, or in accordance with Exhibit C, as applicable, no later than 5:00 a.m. on the day prior to the effective date of the Schedule;
- (iii) [Intentionally omitted];
- (iv) Seller must simultaneously inform its Scheduling Coordinator and SCE of day-ahead Schedule changes; and
- (v) The Inter-SC Trade quantities must match the Scheduled Amounts for the Units.
- (vi) In the event that the CAISO's scheduling procedures and protocols change due to the implementation of FERC Order 764 or other regulatory changes prior to the end of the Term, Seller and SCE shall cooperate in good faith to revise the foregoing Inter-SC Trade procedures to incorporate such changes and to preserve the intent of the foregoing procedures, including Scheduling all Scheduled Amounts on a day ahead basis.

3.14 Forecasting.

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

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

3.15 Scheduled Outages.

- (a) Commencing at least sixty (60) days before the Term Commencement Date and throughout the Delivery Term, Seller shall, no later than January 1, April 1, July 1 and October 1 of each year, submit to SCE, using the Web Client, Seller's schedule of proposed planned outages ("Outage Schedule") for the subsequent twenty-four month period, if such planned outages will impact the Contract Capacity or Seller's ability to deliver the Allocated Metered Amounts as required under this Agreement.

- (b) Seller shall provide the following information for each proposed planned outage that would reasonably be expected to impact the Contract Capacity or Seller's ability to deliver the Allocated Metered Amounts as required under this Agreement:
 - (i) Start date and time;
 - (ii) End date and time; and
 - (iii) Contract Capacity online, in MW, during the planned outage.
- (c) Within thirty (30) days after SCE's receipt of an Outage Schedule, SCE shall notify Seller in writing of any reasonable request for changes to the Outage Schedule, and Seller shall, consistent with Prudent Electrical Practices, accommodate SCE's requests regarding the timing of any planned outage.
- (d) If a condition occurs at the Generating Facility which causes Seller to revise its planned outages, Seller shall promptly provide Notice to SCE, using the Web Client, of such change (including an estimate of the length of such planned outage) as required in the CAISO Tariff after the condition causing the change becomes known to Seller.
- (e) Seller shall promptly prepare and provide to SCE upon request, using the Web Client, all reports of actual or forecasted outages that SCE may reasonably require for the purpose of enabling SCE to comply with Section 761.3 of the California Public Utilities Code or any Applicable Law mandating the reporting by investor owned utilities of expected or experienced outages by electric energy generating facilities under contract to supply electric energy.

3.16 [Intentionally omitted].

3.17 Provision of Information.

Seller shall promptly provide to SCE copies of:

- (a) All applications and approvals or disapprovals relating to CEC Certification and CEC Verification for the Units and/or the Generating Facility as a whole;
- (b) Upon SCE's reasonable request, (i) all Geothermal Reservoir Reports, and any revisions thereto, for the time period beginning on the Effective Date and ending on the last day of the first Term Year and (ii) any reports, studies, or assessments of the Generating Facility prepared for Seller by an independent engineer ; *provided*, Seller shall provide confidential documents under a non-disclosure agreement to be negotiated by the Parties with terms substantially similar to those of Exhibit I hereto; and *further provided*, documents which Seller contends are attorney-client communications or attorney work product shall be listed on a privilege log to be provided to SCE and may be withheld from production pending potential challenges to the privilege log;

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- (c) To the extent not already shown in Exhibit B, all identification and metering information as may be requested by SCE, including the following, at least thirty (30) days before the Term Commencement Date:
- For each CAISO Approved Meter:
- (i) Generating Station/Unit ID;
 - (ii) CAISO Resource ID;
 - (iii) CAISO Approved Meter Device ID;
 - (iv) Password;
 - (v) Data path (network (ECN) or modem);
 - (vi) If modem, phone number;
 - (vii) Copy of meter certification;
 - (viii) List of any CAISO metering exemptions (if any); and
 - (ix) Description of any compensation calculations such as transformer losses and line losses.
- For each Unit or the Generating Facility, as noted:
- (1) For each Unit, utility transmission/distribution one line diagram;
 - (2) For each Unit, physical location, address or descriptive identification;
 - (3) Latitude and longitude of the Geysers Administration Center.
 - (4) For the Generating Facility, telephone number on site;
 - (5) For the Generating Facility, telephone number of control room;
 - (6) For the Generating Facility, telephone number for operational issues; and
 - (7) For the Generating Facility, telephone number for administrative issues.
- (d) No later than twenty (20) days after each semi-annual period ending on June 30th or December 31st, a report listing all WMDVBEs that supplied goods or services to Seller during such period, including any certifications or other documentation of such WMDVBEs' status as such and the aggregate amount paid to WMDVBEs during such period.
- (i) SCE has the right to disclose to the CPUC all such information provided by Seller pursuant to this Section 3.17(i).
 - (ii) Seller shall make reasonable efforts to accommodate requests by the CPUC (or by SCE in response to a request by the CPUC) to audit Seller in order to verify data provided by Seller pursuant to this Section 3.17(i).
- (e) Internal Revenue Service tax Form W-9 and California tax Form 590 (or their equivalent), completed with Seller's information, and any other documentation

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necessary for SCE to comply with its tax reporting or withholding obligations with respect to Seller, within ten (10) Business Days of Seller's receipt of Notice from SCE requesting the same.

3.18 SCE's Access Rights.

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

3.19 [Intentionally omitted].

3.20 Obtaining and Maintaining CEC Certification, and CEC Verification.

- (a) Seller represents and warrants that it has already obtained CEC Certification for the Generating Facility.
- (b) Subject to Section 1.11, Seller shall take all necessary steps, including making or supporting timely filings with the CEC, to obtain and maintain CEC Certification and CEC Verification throughout the Delivery Term.
- (c) Upon request by SCE, Seller shall provide copies of all correspondence and documentation exchanged between the CEC and Seller with respect to CEC Certification and CEC Verification.

3.21 Notice of Cessation or Termination of Service Agreements.

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

3.22 Lost Output Report.

(a) Monthly Report; SCE Review.

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

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

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

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(b) Disputes of Lost Output.

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

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

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

Seller will have no right to claim any Lost Output for any month that was not identified in the original Lost Output Report for that month; *provided*, Seller may supplement the amount of Lost Output claimed ("Supplemental Lost Output") for the month with a supplemental Lost Output Report ("Supplemental Lost Output Report") if Seller can demonstrate that Seller neither knew nor could have known through the exercise of reasonable diligence about the Supplemental Lost Output within the foregoing thirty (30) day period and Seller provides the Supplemental Lost Output Report within ten (10) Business Days after learning the facts which provide the basis for the Supplemental Lost Output claim; *provided further*, in no event will SCE be obligated to accept a Supplemental Lost Output Report after sixty (60) days following the end of the applicable Term Year.

(c) Product Replacement Damage Amount Calculation.

The Lost Output amount that will be used by SCE in the Product Replacement Damage Amount calculation, set forth in Exhibit F, will be the amount calculated pursuant to Exhibit L or otherwise resolved pursuant to Section 3.22(b).

3.23 NERC Electric System Reliability Standards.

Throughout the Delivery Term, Seller shall be:

- (a) Responsible for complying with any NERC Reliability Standards applicable to the Generating Facility, including registration with NERC as the Generator Operator for the Generating Facility or other applicable category under the NERC Reliability Standards and implementation of all applicable processes and procedures required by NERC, WECC or CAISO for compliance with the NERC Reliability Standards; and
- (b) Liable for all penalties assessed by NERC (through WECC or otherwise) for violations of the NERC Reliability Standards by the Generating Facility or Seller, as Generator Operator or other applicable category, except to the extent such penalties are solely caused by SCE's actions or inactions.

However, if Seller learns that NERC (through WECC or otherwise) is considering or intends to assess Seller with a penalty that Seller believes is attributable to SCE's actions or inactions as described in the document entitled "NERC Reliability Standards - Responsibilities of the Generator Operator, Scheduling Coordinator, CAISO, and

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Reliability Coordinator” or other successor description or document on the CAISO website at the time of the potential assessment, Seller shall provide SCE with sufficient notice to allow SCE to take part in administrative processes, discussions or settlement negotiations with NERC, WECC or other entity arising from or related to the alleged violation or possible penalty. If the penalty is nonetheless assessed in spite of SCE’s participation in the processes, discussions or settlement negotiations, or SCE waives its right to take part in the processes, discussion or settlement negotiations, SCE shall reimburse Seller for the penalty to the extent that:

- (c) It was solely caused by SCE’s actions or inactions as described in the document entitled “NERC Reliability Standards - Responsibilities of the Generator Operator, Scheduling Coordinator, CAISO, and Reliability Coordinator” or other successor description or document on the CAISO website at the time of the violation; and
- (d) Seller can establish to SCE’s reasonable satisfaction that the penalty was actually assessed against Seller by NERC and paid by Seller to NERC.

3.24 Application of Prevailing Wage.

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

**** End of ARTICLE THREE ****

ARTICLE FOUR. SCE'S OBLIGATIONS

4.01 Obligation to Pay and Invoice.

- (a) [Intentionally omitted].
- (b) Throughout the Delivery Term, SCE shall purchase Product Scheduled by Seller and generated by the Generating Facility and delivered at the Delivery Point in accordance with this Agreement, CAISO Tariff and Applicable Law, provided, subject to Section 4.01(c), SCE has no obligation to purchase from Seller any Product that is not or cannot be Scheduled to the Inter-SC Trade Delivery Point or delivered to the Delivery Point as a result of any circumstance, including:
 - (i) An outage of the Generating Facility;
 - (ii) A Force Majeure under Article Five; or
 - (iii) A reduction or curtailment of deliveries in accordance with Section 3.12(g).
- (c) SCE will only be obligated to pay Seller for any Curtailed Scheduled Amounts in each Term Year up to the Curtailment Cap at the rates set forth in Exhibit E. Remaining Scheduled Amounts will be paid for at the Product Price set forth in Section 1.06 and Exhibit E.
- (d) [Intentionally omitted].
- (e) SCE will not be obligated to pay Seller for any Product that Seller Schedules to SCE in violation of Section 3.12(g), and Seller shall pay all CAISO Sanctions and CAISO Costs, and SCE shall retain all day-ahead CAISO Revenues resulting from such violation of Section 3.12(g); provided that nothing herein shall prohibit Seller from Scheduling any Product curtailed by SCE to another Person, and Seller shall be entitled to retain all day-ahead and other CAISO Revenues and all Green Attributes and Renewable Energy Credits related to any such Product.

4.02 [Intentionally omitted].

4.03 Scheduling Coordinator.

Commencing on the Term Commencement Date, SCE or a qualified Person designated by SCE shall act as SCE's Scheduling Coordinator and carry out the Inter-SC Trades as provided in Section 3.13.

- (a) SCE shall arrange and be responsible for and shall pay all costs of Scheduling Inter-SC Trades at the Inter-SC Trade Delivery Point and delivering all energy from and after the Delivery Point and shall bear all risks (including risk of transmission outage or curtailment) associated with the delivery and Scheduling of the Scheduled Amounts from and after the Delivery Point.
- (b) SCE shall be relieved of its obligation to enter into an Inter-SC Trade for all or a portion of the Scheduled Amounts for any hour in the exercise of its right to suspend its performance pursuant to Section 6.02, or in the event that Seller fails

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to comply with the Scheduling requirements of the CAISO Tariff, or for Curtailed Scheduled Amounts Scheduled by Seller to SCE in violation of Sections 3.12(g) and 4.01(c).

4.04 [Intentionally omitted].

4.05 Exclusive Rights to Product and Cost Responsibility.

- (a) SCE has the exclusive right, at any time or from time to time, to sell, assign, convey, transfer, allocate, designate, award, report or otherwise provide any and all such Green Attributes, Capacity Attributes or Resource Adequacy Benefits conveyed by Seller to SCE during the Delivery Term to third parties; *provided*, no such action constitutes a transfer of, or a release of SCE of, its obligations under this Agreement.
- (b) Subject to Seller's obligations under this Agreement, including Sections 3.01, 3.02, 3.08, 3.12, and 3.20, SCE shall be responsible for any costs arising from or directly related to SCE's accounting for or otherwise claiming Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

4.06 Interest Payments on Cash Deposits.

- (a) SCE shall make monthly Simple Interest Payments, calculated using the Federal Funds Effective Rate, to Seller on cash amounts posted for the:
 - (i) Term Commencement Date Security; and
 - (ii) Performance Assurance.
- (b) Upon receipt of a monthly invoice (provided by Seller to SCE's Manager of Credit and Collateral as set forth in Exhibit C) that sets forth the calculation of the Simple Interest Payment amount due, SCE shall make payment thereof by the third (3rd) Local Business Day of the first month after the last month to which the invoice relates so long as such date is after the day on which such invoice is received; *provided*,
 - (i) No Event of Default has occurred and is continuing with respect to Seller; and
 - (ii) No Early Termination Date for which any unsatisfied payment obligation of Seller exists, has occurred or has been designated as the result of an Event of Default by Seller.
- (c) On or after the occurrence of an Event of Default by Seller or an Early Termination Date as a result of an Event of Default by Seller, SCE will retain any such Simple Interest Payment amount as an additional Term Commencement Date Security amount or a Performance Assurance Amount hereunder until:
 - (i) In the case of an Early Termination Date, the obligations of Seller under this Agreement have been satisfied; or

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

**** End of ARTICLE FOUR ****

ARTICLE FIVE. FORCE MAJEURE**5.01 No Default for Force Majeure.**

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

5.02 Requirements Applicable to the Claiming Party.

If a Party, because of Force Majeure, is rendered wholly or partly unable to perform its obligations when due under this Agreement, that Party (the "Claiming Party"), will be excused from whatever performance is affected by the Force Majeure to the extent so affected, *provided*, the Claiming Party must have complied with (a) and (b) directly below. A Force Majeure affecting a part of the Generating Facility will be deemed to have affected a portion of the Contract Capacity equal to the pro rata portion thereof that the Contract Capacity represents of the total capacity of the Generating Facility, which pro rata portion the Parties agree shall be (225/725) MW for purposes of this Section 5.02.

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

- (a) The Claiming Party, within fourteen (14) days after the initial occurrence of the claimed Force Majeure, must give the other Party Notice describing the particulars of the occurrence; and
- (b) The Claiming Party must provide timely evidence reasonably sufficient to establish that the occurrence constitutes Force Majeure as defined in this Agreement.

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

In addition, the Claiming Party shall use commercially reasonable and diligent efforts to remedy its inability to perform, and, if Seller is the Claiming Party, shall treat the resolution of a Force Majeure under this Agreement on an equitable basis with the resolution of Force Majeure events under other agreements and other third-party transactions to sell energy, capacity or other attributes from the Generating Facility and shall not disproportionately delay the resumption of performance under this Agreement in favor of Seller's performance or resumption of performance under another agreement or other efforts to sell energy, capacity or other attributes from the Generating Facility. Seller shall be in compliance with the foregoing requirement if it reduces the sale of energy, capacity or other attributes from the Generating Facility on a pro rata basis with such sales under other agreements or to other customers based on the relative amounts being sold under this Agreement and under such other agreements or to such other customers.

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

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

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

5.03 Commercial Operation Deadline Extension.

If the Term Commencement Date does not occur on or before the Term Commencement Deadline as the result of a Force Majeure occurring before the Term Commencement Deadline, then the Term Commencement Deadline will, subject to Sections 1.04 and 5.04 and Seller's compliance with its obligations as the Claiming Party under Section 5.02, be extended on a day-for-day basis for the duration of the Force Majeure.

5.04 Termination.

Either Party may terminate this Agreement on Notice, which will be effective five (5) Business Days after such Notice is provided, if (a) except as provided below, an event of Force Majeure extends for more than three hundred sixty-five (365) consecutive days and materially and adversely affects the ability of the Claiming Party to perform its obligations under this Agreement, or (b) the Generating Facility is destroyed or rendered inoperable by a Force Majeure, and either (i) there are fewer than three (3) years remaining in the Delivery Term or (ii) an independent, third party engineer determines in writing that the Generating Facility cannot be repaired or replaced within twenty-four (24) months after the first day of such Force Majeure. For purposes of this Section 5.04, the Generating Facility will be considered destroyed or rendered inoperable if more than fifty percent (50%) of the capacity of the Generating Facility is destroyed or rendered inoperable. If a Force Majeure destroys the Generating Facility or renders it inoperable, or Seller reasonably believes that that has occurred, Seller will arrange for the independent engineer's report to be delivered within six (6) months after the first day of such Force Majeure. If the Generating Facility is not destroyed or rendered inoperable by the Force Majeure, then, notwithstanding clause (a) above, the amount of the Contract Capacity and all related provisions hereunder shall be reduced in the same proportion as the reduction in the capacity of the Generating Facility as a whole (i) until the effects of the Force Majeure are remedied if an independent, third party engineer determines in writing that the Generating Facility can be repaired or replaced within twenty-four (24) months after the first day of such Force Majeure or (ii) for the balance of the Delivery Term if an independent, third party engineer determines in writing that the Generating Facility cannot be repaired or replaced within twenty-four (24) months after the first day of such Force Majeure.

*** End of ARTICLE FIVE ***

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ARTICLE SIX. EVENTS OF DEFAULT; REMEDIES

6.01 Events of Default.

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

- (a) With respect to either Party:
 - (i) Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated if the representation or warranty is continuing in nature, *provided*, if:
 - (1) The misrepresentation or breach of warranty is capable of a cure, an Event of Default will be deemed to occur if the misrepresentation or breach of warranty is not remedied within five (5) Business Days after Notice; or
 - (2) The misrepresentation or breach of warranty is not capable of a cure, but the non-breaching Party’s damages resulting from the inaccuracy can reasonably be ascertained, an Event of Default will be deemed to occur if the payment of such damages is not made within ten (10) Business Days after a Notice of these damages is provided by the non-breaching Party to the breaching Party;
 - (ii) Except for an obligation to make payment when due, the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default specified below or to the extent excused by a Force Majeure) if this failure is not remedied within thirty (30) days after Notice of the failure, which Notice sets forth in reasonable detail the nature of the failure; *provided*, if the failure is not reasonably capable of being cured within the thirty (30) day cure period specified above, the Party will have such additional time (not exceeding an additional one hundred twenty (120) days) as is reasonably necessary to cure the failure, so long as the Party promptly commences and diligently pursues the cure;
 - (iii) A Party fails to make when due any payment required under this Agreement and this failure is not cured within five (5) Business Days after Notice of the failure;
 - (iv) A Party becomes Bankrupt; or
 - (v) A Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations

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of that Party under this Agreement either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

- (b) With respect to Seller:
- (i) Seller fails to post and maintain the Term Commencement Date Security pursuant to Section 3.06(a), and such failure is not cured within five (5) Business Days after Notice from SCE;
 - (ii) Seller fails to post and maintain the Performance Assurance pursuant to Section 8.02, and such failure is not cured within five (5) Business Days after Notice from SCE;
 - (iii) The Term Commencement Date does not occur on or before the Term Commencement Deadline;
 - (iv) Except as permitted in Sections 10.04 and 10.05, Seller does not own or otherwise have control of the Generating Facility;
 - (v) Seller does not have Site Control in accordance with Section 3.09 and Seller has not cured such failure within sixty (60) days after the occurrence of the event which results in the failure;
 - (vi) The sum of Allocated Metered Amounts plus Lost Output in any consecutive six (6) month period is not at least ten percent (10%) of the Expected Annual Net Energy Production, and Seller fails to demonstrate to SCE's reasonable satisfaction, within ten (10) Business Days after Notice from SCE, a legitimate reason for the failure to meet the ten percent (10%) minimum;
 - (vii) The Scheduled Amounts in any one hour interval, in kWh/hr, exceed one hundred percent (100%) of the Contract Capacity to this Agreement, (an "Event of Excess Deliveries"), without the prior written consent of SCE, and within ten (10) Business Days after Notice, Seller fails to demonstrate to SCE's satisfaction that Seller has identified the reason that the Event of Excess Deliveries occurred and that Seller has employed or is employing best efforts to ensure that no additional Events of Excess Deliveries will occur throughout the Delivery Term;
 - (viii) Seller intentionally or knowingly Forecasts or delivers, or attempts to Forecast or deliver, at the Delivery Point for sale under this Agreement electric energy that was not in fact generated by the Generating Facility; *provided*, the delivery of Scheduled Amounts pursuant to an Inter-SC Trade in accordance with the terms of this Agreement shall not be considered an Event of Default under this Section 6.01(b)(viii);
 - (ix) Seller has not cured a failure with respect to Sections 3.08(a), (c) or (d) within the earlier of thirty (30) days after Notice or sixty (60) days after the occurrence of the event which results in such failure.

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- (x) The Nominal Rating is less than the Minimum Nominal Rating.
- (xi) The Generating Facility consists of an ERR type(s) different than that specified in Section 1.01(g);
- (xii) Except where there has been a change in Applicable Laws that would affect Seller's status as an ERR, and Seller has made commercially reasonable efforts in accordance with Section 10.02(b) to comply with the change in law, the Generating Facility fails to qualify as an ERR;
- (xiii) Except where there has been a change in Applicable Law that would affect the eligibility of electric energy to qualify as renewable energy for the purposes of the RPS Legislation and Seller has made commercially reasonable efforts in accordance with Section 10.02(c) to comply with the change in law, any electric energy from the Generating Facility and sold or to be sold to SCE hereunder fails to qualify as eligible renewable energy for purposes of the RPS Legislation;
- (xiv) A termination of, or cessation of service under, any agreement necessary for Seller:
 - (1) To interconnect the Generating Facility to the Transmission Provider's electric system;
 - (2) To transmit the electric energy on the Transmission Provider's electric system; or
 - (3) To comply with the CAISO Tariff;

provided, if SCE and Seller mutually agree that a termination of, or cessation of service under, any such agreement is not due to the fault of Seller, Seller shall have thirty (30) days from such termination or cessation to cure such default;
- (xv) Subject to Sections 1.11 and 3.03, Seller fails to take any actions necessary to dedicate, convey or effectuate the use of any and all Green Attributes, Capacity Attributes and Resource Adequacy Benefits for SCE's sole benefit as specified in Section 3.01;
- (xvi) Except for Credit and Collateral Requirements in Article Eight for which there is a separate Event of Default specified in this Section 6.01, Seller fails to satisfy the Credit and Collateral Requirements in Article Eight and the failure is not cured within five (5) Business Days after Notice from SCE;
- (xvii) Subject to the terms of a Collateral Assignment Agreement, the occurrence and continuation of a default, event of default or other similar condition or event under one or more agreements or instruments relating to Seller's indebtedness for borrowed money in a principal amount of

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twenty million dollars (\$20,000,000) or more, which results in the indebtedness having been declared immediately due and payable;

- (xviii) Fifty percent (50%) or more of the stock, equity ownership interest in Seller or assets of Seller has been pledged or assigned as collateral or otherwise to any party other than Lender or Lender's agent without SCE's prior written consent, which consent may be granted or withheld in SCE's reasonable discretion; provided, that if SCE does not give Seller Notice that it objects to any such direct or indirect pledge or assignment within thirty (30) days after Seller gives SCE Notice of a proposed pledge or assignment of fifty percent (50%) or more of the stock, equity ownership interest in Seller or assets of Seller, such pledge or assignment shall be deemed approved by SCE; provided, further, that the stock or equity ownership interest in Seller may be indirectly pledged or assigned as collateral in connection with a financing by the ultimate parent entity of Seller or any of Seller's Affiliates that is controlled by Seller's ultimate parent;
- (xix) Seller transfers or assigns, without the written consent of SCE, the Generating Facility's interconnection agreement(s) such that Seller no longer has agreements in place to interconnect and operate Units sufficient to meet the Minimum Nominal Rating;

6.02 Early Termination.

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

- (a) To designate by Notice, which will be effective five (5) Business Days after the Notice is given, a day, no later than twenty (20) calendar days after the Notice is effective, for the early termination of this Agreement (an "Early Termination Date"); *provided*, a Non-Defaulting Party's right to terminate this Agreement pursuant to this Section 6.02(a) may only be exercised within one hundred and eighty (180) days from the date that the default giving rise to the applicable Event of Default is no longer continuing, or, if no cure period is provided for, from the date the Non-Defaulting Party becomes aware of the Event of Default; and
- (b) To pursue all remedies available at law or in equity against the Defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.

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

6.03 Termination Payment.

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

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

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

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

*** End of ARTICLE SIX ***

ARTICLE SEVEN. LIMITATIONS OF LIABILITIES

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

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

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

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

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

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

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

*** End of ARTICLE SEVEN ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE EIGHT. CREDIT AND COLLATERAL REQUIREMENTS**8.01 Financial Information.**

- (a) If requested by one Party, the other Party shall deliver the following financial statements, which in all cases must be for the most recent accounting period and prepared in accordance with GAAP:
 - (i) Within one hundred twenty (120) days following the end of each fiscal year, a copy of its annual report containing audited consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal year, setting forth in each case in comparative form the figures for the previous year; and
 - (ii) Within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of its quarterly report containing consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year.
- (b) In each case, the financial statements specified in Sections 8.01(a)(i) and 8.01(a)(ii) above must be:
 - (i) Certified in accordance with all applicable laws and regulations, including all applicable SEC rules and regulations, if such Party is an SEC reporting company; or
 - (ii) Certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments) if such Party is not an SEC reporting company;
- (c) For purposes of the requirement set forth in Section 8.01(a)
 - (i) If a Party's financial statements are publicly available electronically on the website of that Party or the SEC, then the Party shall be deemed to have met the requirements of Section 8.01(a); and
 - (ii) Should any such financial statements not be available on a timely basis due to a delay in preparation or certification, that delay will not be an Event of Default so long as the producing party diligently pursues the preparation, certification and delivery of the statements.

8.02 Term Commencement Date Security and Performance Assurance.**(a) Posting Performance Assurance.**

On or before the Term Commencement Date, Seller shall post Performance Assurance with SCE.

The contents of this document are subject to restrictions on disclosure as set forth herein.

The Performance Assurance Amount due to SCE by Seller will be as set forth in Section 1.07.

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

The Performance Assurance Amount must be either in the form of cash or Letter of Credit acceptable to SCE, which may include the Legacy Geysers Performance Assurance as provided in Section 1.07, *provided*, on the commencement of the Term, if Seller has posted the Term Commencement Date Security in the form of cash or a Letter of Credit and SCE has not either returned the Term Commencement Date Security to Seller or given Seller Notice, pursuant to Exhibit K, of its determination regarding the disposition of the Term Commencement Date Security by such date, then Seller may withhold the portion of the Performance Assurance Amount equal to the Term Commencement Date Security or any portion thereof held by SCE at that time until three (3) Business Days following the later of Seller's receipt or forfeiture of the Term Commencement Date Security or any portion thereof pursuant to Section 3.06 and Exhibit K, after which Seller shall be obligated to post the full Performance Assurance Amount.

(b) Letters of Credit.

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

- (i) Each Letter of Credit must be maintained for the benefit of SCE;
- (ii) Seller shall:
 - (1) Renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit;
 - (2) If the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide alternative Term Commencement Date Security or Performance Assurance acceptable to SCE at least twenty (20) Business Days before the expiration of the outstanding Letter of Credit; and
 - (3) If the bank issuing a Letter of Credit fails to honor SCE's properly documented request to draw on an outstanding Letter of Credit, provide alternative Term Commencement Date Security or Performance Assurance acceptable to SCE within three (3) Business Days after such refusal;
- (iii) Upon the occurrence of a Letter of Credit Default, Seller shall provide to SCE either a substitute Letter of Credit or alternative Term

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Commencement Date Security or Performance Assurance acceptable to SCE, in each case on or before the third (3rd), or in the case of clause (f) of the definition of Letter of Credit Default, the fifth (5th), Business Day after the occurrence thereof;

- (iv) Upon, or at any time after, the occurrence and continuation of an Event of Default by Seller, or if an Early Termination Date has occurred or been designated as a result of an Event of Default by Seller for which there exist any unsatisfied payment obligations, then SCE may draw on any undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit of one or more certificates specifying that such Event of Default or Early Termination Date has occurred and is continuing; provided, however, with respect to an Event of Default or Early Termination occurring before the Term Commencement Date, if the Term Commencement Date Security is provided by the Legacy Geysers Performance Assurance, SCE may only draw on the Legacy Geysers Performance Assurance up to the amount of the Term Commencement Date Security.

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

- (1) The Letter of Credit will expire in fewer than twenty (20) Local Business Days and Seller has not provided SCE alternative Term Commencement Date Security or Performance Assurance acceptable to SCE.
- (2) The Seller or the issuer of the Letter of Credit has provided written notice to SCE of either Seller's or the issuer's intent not to renew the Letter of Credit following the present expiration date thereof ("Notice of Non-Renewal"), and Seller has failed to provide SCE with a replacement Letter of Credit satisfactory to SCE in its sole discretion within thirty (30) days following the date of the Notice of Non-Renewal.
- (3) SCE has not been paid any or all of Seller's payment obligations due and payable under the Agreement.

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

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

- (4) Failure to provide or maintain the required Term Commencement Date Security or Performance Assurance (including failure to replenish a Letter of Credit to the full Term Commencement Date Security or Performance Assurance Amount in the event that SCE draws against the Letter of Credit for any reason); or
- (5) Any amounts owing to SCE and remaining unpaid after the application of the amounts so drawn by SCE; and
- (v) In all cases, the costs and expenses of establishing, renewing, replenishing, substituting, canceling, and increasing the amount of any and all Letters of Credit will be borne by Seller.

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

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

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

- (a) Exercise any of its rights and remedies with respect to the Term Commencement Date Security and Performance Assurance, including any such rights and remedies under law then in effect;
- (b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by SCE as Term Commencement Date Security or Performance Assurance; and
- (c) Liquidate all Term Commencement Date Security or Performance Assurance (as applicable) then held by or for the benefit of SCE free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

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

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8.04 Credit and Collateral Covenants.

- (a) Seller shall, from time to time as requested by SCE, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid and enforceable under all applicable laws the rights, liens and priorities of SCE with respect to the Security Interest provided for herein and therein.
- (b) Seller may not cause or permit the stock, equity ownership interest in Seller or assets of Seller to be pledged or assigned as collateral or otherwise to any party other than Lender.
- (c) Seller may not create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable for, contingently or otherwise, any Seller's Debt, or issue any Disqualified Stock, in each case, other than Seller's Debt incurred, issued, assumed or guaranteed, or Disqualified Stock issued, in connection with the development, construction, permanent debt or tax equity financing or refinancing, or Operation of the Generating Facility.
- (d) Except for liens for the benefit of Lender, and except for Permitted Liens, Seller may not create, incur, assume or suffer to be created by it or any subcontractor, employee, laborer, materialman, other supplier of goods or services or any other person, any lien on Seller's interest (or any part thereof) in this Agreement, the Site or the Generating Facility.

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

Seller shall promptly notify SCE of any attachment or imposition of any lien against Seller's interest (or any part thereof) in the Units, or any part thereof or interest therein.

- (e) Seller may not hold any material assets, become liable for any material obligations or engage in any material business activities other than the development, construction (including expansion), financing and Operation of the Generating Facility.
- (f) Seller may not own, form or acquire, or otherwise conduct any of its activities through, any direct or indirect subsidiary.
- (g) During any period during which Seller is a Defaulting Party, Seller may not:
 - (i) Declare or pay any dividend, or make any other distribution or payment, on account of any equity interest in Seller, except in amounts necessary to enable Seller's direct equity holders to pay income-related taxes, existing

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prior to such Event of Default, on income attributable to their direct equity interests in Seller subject to SCE's prior review and reasonable satisfaction; or

- (ii) Otherwise make any distribution or payment to any Affiliate of Seller, other than payments for costs and expenses related to the operation and maintenance of the Generating Facility, for the Scheduling of Scheduled Amounts from the Units, or otherwise payable for Operations in arms' length transactions in the ordinary course of business with any such Affiliate of Seller.

8.05 Commercial Code Waiver.

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

- (a) Has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever; or
- (b) Will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Article Eight of this Agreement;

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

*** End of ARTICLE EIGHT ***

ARTICLE NINE. GOVERNMENTAL CHARGES

9.01 Cooperation to Minimize Tax Liabilities.

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

9.02 Governmental Charges.

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

SCE shall pay or cause to be paid all Governmental Charges on or with respect to the Scheduled Amounts (and any contract associated with the Scheduled Amounts) at and from the Inter-SC Trade Delivery Point or the Allocated Metered Amounts (and any contract associated with the Allocated Metered Amounts) at and from the Delivery Point. If Seller is required by law or regulation to remit or pay Governmental Charges which are SCE’s responsibility hereunder, SCE shall promptly reimburse Seller for such Governmental Charges.

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

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

9.03 Providing Information to Taxing Authorities.

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

*** *End of ARTICLE NINE* ***

ARTICLE TEN. MISCELLANEOUS**10.01 Representations and Warranties.**

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

- (a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) Except for CPUC Approval in the case of SCE, and all Permits in the case of Seller, it has or will timely acquire all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) This Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;
- (e) There is not pending, or to its knowledge, threatened against it or, in the case of Seller, any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform under this Agreement;
- (f) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
- (g) It is acting for its own account and its decision to enter into this Agreement is based upon its own judgment, not in reliance upon the advice or recommendations of the other Party and it is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Agreement; and
- (h) It has not relied upon any promises, representations, statements or information of any kind whatsoever that are not contained in this Agreement in deciding to enter into this Agreement.

10.02 Additional Seller Representations, Warranties and Covenants.

- (a) Seller hereby covenants to SCE that throughout the Delivery Term:
 - (i) Seller shall own and Operate Units with a Nominal Rating greater than or equal to the Minimum Nominal Rating;
 - (ii) Seller shall deliver to SCE the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person;

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- (iii) Seller shall hold the rights to all Green Attributes, Capacity Attributes and Resource Adequacy Benefits, which Seller has conveyed and has committed to convey to SCE hereunder;
 - (iv) Seller shall obtain, maintain and remain in compliance with all Permits, interconnection agreements and transmission rights necessary to Operate the Generating Facility and to deliver electric energy from the Generating Facility to the Delivery Point;
 - (v) Subject to Section 1.11, Seller shall take all actions necessary for the Units providing the Product hereunder to qualify and be certified by the CEC as an ERR; and
 - (vi) Subject to Section 1.11, Seller shall take all actions necessary for the Allocated Metered Amounts delivered to SCE to qualify under the requirements of the California Renewables Portfolio Standard.
- (b) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that:
- (i) The Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and
 - (ii) The Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard.

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

- (c) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.
- (d) The term “commercially reasonable efforts” as used in Section 10.02(b) and Section 10.02(c) means efforts consistent with and subject to Section 1.11. The term “Project’s output” as used in Section 10.02(b)(ii) means Allocated Metered Amounts.

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- (e) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in WREGIS will be taken prior to the first delivery under the contract.
- (f) Seller hereby represents and warrants that, as of the Effective Date, it has no knowledge of any plans by SCE or another Transmission Provider to seek to construct a transmission or distribution line through or on the Site.

10.03 Indemnity.

(a) SCE's Indemnification Obligations.

In addition to any other indemnification obligations SCE may have elsewhere in this Agreement, which are hereby incorporated in this Section 10.03(a), SCE releases, and shall indemnify, defend and hold harmless Seller, and Seller's directors, officers, employees, agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, fine, penalty or expense of any kind or nature (including any direct, damage, claim, cost, charge, demand, or expense, and attorneys' fees (including cost of in-house counsel) and other costs of litigation, arbitration and mediation, and in the case of third-party claims only, indirect and consequential loss or damage of such third-party), arising out of or in connection with any breach made by SCE of its representations and warranties in Sections 10.01 and 10.02; and

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

(b) Seller's Indemnification Obligations.

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

- (i) any breach made by Seller of its representations and warranties in Sections 10.01 and 10.02;
- (ii) Seller's failure to fulfill its obligations regarding Resource Adequacy Benefits as set forth in Sections 3.01 and 3.02;

- (iii) NERC Standards Non-Compliance Penalties or an attempt by any Governmental Authority, person or entity to assess such NERC Standards Non-Compliance Penalties against SCE, except to the extent solely due to SCE's negligence in performing its role accepting Inter-SC Trades throughout the Delivery Term;
- (iv) injury or death to persons, including SCE employees, and physical damage to property, including SCE property, where the damage arises out of, is related to, or is in connection with, Seller's construction, ownership or Operation of the Generating Facility, or obligations or performance under this Agreement;
- (v) injury or death to any person or damage to any property, including the personnel or property of SCE, to the extent that SCE would have been protected had Seller complied with all of the provisions of Section 10.11; *provided*, the inclusion of this Section 10.03(b)(v) is not intended to create any express or implied right in Seller to elect not to provide the insurance required under Section 10.11; or
- (vi) any breach by Seller of the covenants set forth in Section 2.04(b).

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

(c) Mutual Indemnification.

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

(d) Indemnification Claims.

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

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

relieve Indemnitor only to the extent that the failure actually prejudices Indemnitor.

- (ii) Indemnitor will have the right to control the defense and settlement of any claims in a manner not adverse to Indemnified Party but can not admit any liability or enter into any settlement without Indemnified Party's approval.
- (iii) Indemnified Party may employ counsel at its own expense with respect to any claims or demands asserted or sought to be collected against it; *provided*, if counsel is employed due to a conflict of interest or because Indemnitor does not assume control of the defense, Indemnitor will bear the expense of this counsel.

(e) Survival of Indemnification Rights and Obligations.

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

10.04 Assignment.

- (a) Except as provided in Section 10.05, neither Party can assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- (b) Any Change of Control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of SCE, which consent shall not be unreasonably withheld.

10.05 Consent to Collateral Assignment.

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

In connection with any financing or refinancing of the Generating Facility by Seller, SCE shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement ("Collateral Assignment Agreement") in substantially the form of Exhibit T attached hereto, including such changes to the Collateral Assignment Agreement as may be mutually agreed by SCE, Seller and Lender. SCE shall in good faith work with Seller and Lender to agree upon the terms and conditions of a Collateral Assignment Agreement that is acceptable to all parties.

10.06 Abandonment.

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

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

10.07 Governing Law.

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

10.08 Notices.

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

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

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

- (a) Notice by e-mail, facsimile or hand delivery will be deemed given at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise will be deemed given at the close of business on the next Business Day;
- (b) Notice by overnight United States mail or courier service will be deemed given on the next Business Day after such Notice was sent out;
- (c) Notice by first class United States mail will be deemed given two (2) Business Days after the postmarked date;
- (d) Notice of curtailment will be deemed given on the date and time made by SCE and will be effective immediately.

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

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

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

10.09 General.

- (a) This Agreement constitutes the entire agreement between the Parties relating to its subject matter.
- (b) This Agreement will be considered for all purposes as prepared through the joint efforts of the Parties and may not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.
- (c) Except to the extent provided for herein, no amendment or modification to this Agreement will be enforceable unless reduced to a writing signed by all Parties.
- (d) This Agreement does not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement).
- (e) Waiver by a Party of any default by the other Party may not be construed as a waiver of any other default.
- (f) The term “including” when used in this Agreement is by way of example only and may not be considered in any way to be in limitation.
- (g) The word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise.
- (h) The headings used in this Agreement are for convenience and reference purposes only. Words having well-known technical or industry meanings have these meanings unless otherwise specifically defined in this Agreement.
- (i) Where days are not specifically designated as Business Days, they will be considered as calendar days.
- (j) This Agreement is binding on each Party’s successors and permitted assigns.
- (k) No provision of this Agreement is intended to contradict or supersede any agreement or Applicable Laws covering transmission, distribution, metering, scheduling or interconnection, including the interconnection agreement or the CAISO Tariff. In the event of an apparent contradiction between this Agreement and any such agreement or Applicable Laws, such agreement or Applicable Law controls.
- (l) Whenever this Agreement specifically refers to any law, tariff, government department or agency, regional reliability council, Transmission Provider, or credit rating agency, the Parties hereby agree that the reference also refers to any successor to such law, tariff or organization.
- (m) SCE has assigned a RAP ID number to this Agreement for tracking purposes only.
- (n) SCE’s obligation to take and pay for electric energy produced by the Generating Facility, together with Green Attributes, Resource Adequacy Benefits and

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Capacity Attributes associated therewith, will not be affected by any change to or elimination of the RPS Legislation.

- (o) The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a “forward contract” within the meaning of the Bankruptcy Code and that SCE and Seller are each “forward contract merchants” within the meaning of the Bankruptcy Code.
- (p) This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF) or by other electronic means constitutes effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.
- (q) Each Party shall act in good faith in its performance under this Agreement.
- (r) All dollar amounts set forth in this Agreement are in U.S. dollars.

10.10 Confidentiality.

(a) Terms and Conditions of this Agreement.

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

- (i) To such Party’s, or its upstream parents’ (which, in the case of SCE, is Edison International, and, in the case of Seller, is Calpine Corporation), employees, Lenders, counsel, accountants, advisors or investors, in each case who have a need to know such information and have agreed to keep such terms confidential;
- (ii) To potential Lenders or investors with the consent of SCE, which consent will not be unreasonably withheld; *provided*, disclosure:
 - (1) Of cash flow and other financial projections to any potential Lender in connection with a potential loan or tax equity investment; or
 - (2) Of Confidential Information to potential Lenders with whom Seller has negotiated (but not necessarily executed) a term sheet or other similar written mutual understanding,does not require SCE’s consent, and provided further that, in each case such potential Lender has a need to know this information and has agreed to keep such terms confidential;
- (iii) By either Party (the “Disclosing Party”), to participants of SCE’s Procurement Review Group, as defined in CPUC Decision 02-08-071, subject to any confidentiality agreements or laws, regulations or regulatory decisions concerning confidentiality which are applicable to SCE’s

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Procurement Review Group; *provided*, Seller may only disclose to such entities Confidential Information that is information on the bid and negotiation process of SCE's RPS solicitation; *provided further*, with respect to non-CPUC PRG participants, neither Party may disclose Confidential Information to such third parties unless and until a written confidentiality or non-disclosure agreement is fully executed between the Disclosing Party and such third-party disclosee. Seller shall provide Notice to SCE of any disclosure by Seller of Confidential Information pursuant to this Section 10.10(a)(iii) of this Agreement.

- (iv) By either Party, to the CPUC under seal for purposes of review subject to such Disclosing Party making reasonable efforts to obtain confidentiality protection from the CPUC under Section 583 of the California Public Utilities Code or other statute, order or rule offering comparable confidentiality protection; *provided*, except as set forth in Sections 10.10(a)(vii), 10.10(a)(viii) and 10.10(b), as applicable, Seller may only disclose to the CPUC Confidential Information that is information on the bid and negotiation process of SCE's RPS solicitation. Seller shall provide Notice to SCE of any disclosure by Seller of Confidential Information pursuant to this Section 10.10(a)(iv) of this Agreement.
- (v) To the CAISO or as otherwise may reasonably be required in order to participate in any auction, market or other process pertaining to the allocation of priorities or rights related to the transmission of electric energy sold or to be sold to SCE hereunder;
- (vi) In order to comply with any Applicable Law or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the Disclosing Party, other than to those entities set forth in Section 10.10(a)(vii);
- (vii) In order to comply with any applicable regulation, rule, or order of the CPUC, CEC, FERC, any court, administrative agency, legislative body, securities exchange or other tribunal, or any mandatory discovery or data request of a party to any proceeding pending before any of the foregoing;
- (viii) To any governmental body, the CPUC, the CAISO or any local control area or regional authority having jurisdiction in order to support SCE's RA Showing, if applicable; *provided*, SCE shall, to the extent reasonable, use reasonable efforts to limit the ability of any such applicable governmental body, CAISO, local control area or regional authority to further disclose such information;
- (ix) As may reasonably be required to participate in the WREGIS or other process recognized under Applicable Laws for the registration, transfer or ownership of Green Attributes associated with the Generating Facility;
- (x) To representatives of a Party's credit ratings agencies;

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- (1) Who have a need to review the terms and conditions of this Agreement for the purpose of assisting the Party in evaluating this Agreement for credit rating purposes and have agreed to keep this information confidential; or
- (2) With respect to the potential impact of this Agreement on the Party's financial reporting obligations;
- (xi) Disclosure of terms specified in and pursuant to Section 10.10(c);
- (xii) In connection with discovery requests or orders pertaining to the non-public terms of this Agreement as referenced in Sections 10.10(a)(vi) and 10.10(a)(vii) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to:
 - (1) Notify the other Party before disclosing the Confidential Information; and
 - (2) Prevent or limit such disclosure.

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

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

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

(b) Non-Disclosure Agreement.

- (i) The Non-Disclosure Agreement between the Parties attached hereto as Exhibit I is incorporated herein (the "Non-Disclosure Agreement"), and the termination date of that agreement is modified such that it will terminate on the later of:
 - (1) The termination of the Non-Disclosure Agreement; or
 - (2) One year after the date of termination of this Agreement.Information provided by the Parties pursuant to this Agreement will be subject to the Non-Disclosure Agreement, or to any other agreement that the Parties negotiate to provide reasonable protection for their confidential business information or trade secrets.
- (ii) Notwithstanding Section 1 of the Non-Disclosure Agreement, the term "Confidential Information" as used in the Non-Disclosure Agreement (and incorporated herein) shall be deemed to include (in addition to the information described in the Non-Disclosure Agreement) this Agreement and all oral or written communications exchanged between the Parties

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pursuant to this Agreement, except for communications and information described in Section 4 of the Non-Disclosure Agreement.

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

(c) RPS Confidentiality.

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

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

10.11 Insurance.

- (a) Starting on the Effective Date and throughout the Delivery Term of this Agreement and for such additional periods as may be specified below, Seller, and to the extent not covered by the Seller's insurance policies, its contractors and subcontractors, shall, at their own expense, provide and maintain in effect the insurance policies and minimum limits of coverage specified below, and such additional coverage as may be required by applicable law, with insurance companies which are authorized to do business in the state in which the services are to be performed and which have an A.M. Best's Insurance Rating of not less than A-:VII. The minimum insurance requirements specified herein do not in any way limit or relieve Seller of any obligation assumed elsewhere in this Agreement, including, but not limited to, Seller's defense and indemnity obligations.
 - (i) Workers' Compensation Insurance with the statutory limits required by the state having jurisdiction over Seller's employees;
 - (ii) Employer's Liability Insurance with limits of not less than:
 - (1) Bodily injury by accident – One million dollars (\$1,000,000) each accident

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

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

- (1) The retroactive date of the policy must be prior to the Effective Date; and
 - (2) Either the coverage must be maintained for a period of not less than four (4) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than four (4) years after the Agreement terminates.
- (iv) Commercial Automobile Liability Insurance covering bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of Seller’s use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement.
- (v) Pollution Liability Insurance, (which, except with the prior written consent of SCE and subject to subsections 10.11(a)(v)(1) and 10.11(a)(v)(2) below, shall be written on a “claims-made” basis) with limits of not less than ten million dollars (\$10,000,000) per occurrence or each claim and in the aggregate, covering losses involving hazardous material(s) and caused by pollution incidents or conditions that arise from the operations of the Seller, including but not limited to, coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any Person, including death, property damage including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically

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damaged or destroyed, and defense costs. In the event that Seller exhausts the policy limits of the coverage required in this section, Seller shall reinstate or replace the policy limits.

The following additional requirements apply:

- (1) The retroactive date of the policy must be prior to the Effective Date; and
 - (2) Either the coverage must be maintained for a period of not less than three (3) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than three (3) years after the Agreement terminates.
- (vi) Umbrella/Excess Liability Insurance, written on an “occurrence,” not a “claims-made” basis, providing coverage in excess of the underlying Employer’s Liability, Commercial General Liability, Commercial Automobile Liability and Pollution Liability insurance covering sudden and accidental events and occurrences, on terms at least as broad as the underlying coverage, with limits of not less than twenty million dollars (\$20,000,000) per occurrence and in the annual aggregate. The insurance requirements of this Section 10.11 can be provided by any combination of Seller’s primary and excess liability policies.

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

- (1) The retroactive date of the policy must be prior to the Effective Date; and
 - (2) Either the coverage must be maintained for a period of not less than three (3) years after the Agreement terminates, or the policy must provide for an extended reporting period of not less than three (3) years after the Agreement terminates.
- (b) The insurance required above shall apply as primary insurance to, without a right of contribution from, any other insurance maintained by or afforded to SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, and employees, regardless of any conflicting provision in Seller's policies to the contrary. To the extent permitted by law, Seller and its insurers shall be required to waive all rights of recovery from or subrogation against SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees and insurers. The Commercial General Liability, the Commercial Automobile Liability Policy, the Pollution Liability and the Umbrella/Excess Liability insurance required above shall include, either by policy terms and conditions or by endorsement, SCE, its parent, subsidiaries and affiliates, and their respective officers, directors, shareholders, agents and

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employees, assigns, and successors in interest, as additional insureds for liability arising out of Seller's construction, ownership or Operation of the Generating Facility, or obligations or performance, under this Agreement.

- (c) [Intentionally omitted].
- (d) Within ten (10) Business Days after the Effective Date, and within ten (10) Business Days after coverage is renewed or replaced, Seller shall furnish to SCE certificates of insurance evidencing the coverage required above, written on forms and with deductibles reasonably acceptable to SCE and deductibles that are reasonably available in the commercial insurance market for companies of a similar size engaged in the same or a similar business. Seller, or its insurance broker or agent, shall provide SCE with at least thirty (30) days' prior written notice in the event of cancellation of coverage. All deductibles and co-insurance retentions applicable to the insurance above shall be paid by Seller. SCE's receipt of certificates that do not comply with the requirements stated herein, or Seller's failure to provide certificates, shall not limit or relieve Seller of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 10.11 and shall not constitute a waiver of any of the requirements in this Section 10.11.
- (e) Seller agrees to report to SCE in writing within ten (10) Business Days following all accidents or occurrences resulting in bodily injury to any person, and to any property where such property damage is greater than five hundred thousand dollars (\$500,000).
- (f) If Seller fails to comply with any of the provisions of this Section 10.11, Seller, among other things and without restricting SCE's remedies under the law or otherwise, shall, at its own cost and expense, act as an insurer and provide insurance in accordance with the terms and conditions above. With respect to the required Commercial General Liability, Umbrella/Excess Liability, Pollution Liability and Commercial Automobile Liability insurance, Seller shall provide a current, full and complete defense to SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third-party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above. In addition, alleged violations of the provisions of this Section 10.11 means that Seller has the initial burden of proof regarding any legal justification for refusing or withholding coverage and Seller shall face the same liability and damages as an insurer for wrongfully refusing or withholding coverage in accordance with the laws of California.

10.12 Nondedication.

Notwithstanding any other provisions of this Agreement, neither Party dedicates any of the rights that are or may be derived from this Agreement or any part of its facilities

involved in the performance of this Agreement to the public or to the service provided under this Agreement, and this service shall cease upon termination of this Agreement.

10.13 Mobile Sierra.

Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in the next paragraph below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall be the ‘public interest’ standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish* 554 U.S. 527 (2008).

Notwithstanding any provision of Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by Applicable Laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any Section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.

10.14 Simple Interest Payments.

Except as specifically provided in this Agreement, any outstanding and past due amounts owing and unpaid by either Party under the terms of this Agreement will be eligible to receive a Simple Interest Payment calculated using the Interest Rate for the number of days between the date due and the date paid.

10.15 Payments.

Payments to be made under this Agreement must be made by wire transfer.

10.16 Seller Ownership and Control of Generating Facility.

Seller agrees, that, in accordance with FERC Order No. 697, upon request of SCE, Seller shall submit a letter that the contractual arrangement set forth in this Agreement does not transfer “ownership or control of generation capacity” from Seller to SCE as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller also agrees that it will not, in filings, if any, made subject to FERC Order Nos. 652 and 697, claim that the contractual arrangement set forth in this Agreement conveys ownership or control of generation capacity from Seller to SCE.

10.17 Required Material.

Seller acknowledges and agrees that, notwithstanding anything to the contrary set forth herein, any review, approval, request, or requirement of any Required Material shall mean only that such Required Material is acceptable to SCE solely for SCE’s internal

purposes and benefit, and will not in any way be construed to mean that such Required Material is accurate, suitable for its intended purpose, in compliance with any Applicable Law or other requirement, or endorsed for the benefit of any other party, including Seller. Further, Seller acknowledges and agrees that SCE shall have no liability to Seller or any other third party with respect to any Required Material so reviewed, approved, requested or required by SCE or on SCE's behalf.

*** End of ARTICLE TEN ***

ARTICLE ELEVEN. CHANGE IN ELECTRIC MARKET DESIGN

If a Change in CAISO Tariff renders this Agreement or any terms herein incapable of being performed or administered, then either Party, on Notice, may request the other Party to enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens and obligations set forth in this Agreement as of the Effective Date; provided that Seller shall not be required to modify any of the Units or the Generating Facility in connection with such changes except to the extent provided in Section 1.11.

Upon receipt of a Notice requesting negotiations, the Parties shall negotiate in good faith.

If the Parties are unable, within sixty (60) days after the sending of the Notice requesting negotiations, either to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then either Party may submit issues pertaining to changes to this Agreement to mediation and arbitration as provided in Article Twelve.

A change in cost will not in itself be deemed to render this Agreement or any terms therein incapable of being performed or administered, or constitute, or form the basis of, a Force Majeure event.

**** End of ARTICLE ELEVEN ****

ARTICLE TWELVE. MEDIATION AND ARBITRATION**12.01 Dispute Resolution.**

Other than requests for provisional relief under Section 12.04, any and all Disputes which the Parties have been unable to resolve by informal methods after undertaking a good faith effort to do so, must first be submitted to mediation under the procedures described in Section 12.02 below, and if the matter is not resolved through mediation, *then* for final and binding arbitration under the procedures described in Section 12.03 below.

The Parties waive any right to a jury and agree that there will be no interlocutory appellate relief (such as writs) available. Any Dispute resolution process shall be commenced no later than one (1) year from the date the Dispute occurred; *provided*, if the facts giving rise to the Dispute were not reasonably capable of being discovered at the time of their occurrence, then no later than one (1) year from the earliest date that such facts were reasonably capable of being discovered, and in no event more than four (4) years after the Dispute occurred. If any Dispute resolution process pursuant to Article Twelve with respect to a Dispute is not commenced within such one (1) year time period, such Dispute shall be waived and forever barred, without regard to any other limitations period set forth by law or statute.

12.02 Mediation.

Either Party may initiate mediation by providing Notice to the other Party in accordance with Section 10.08 of a written request for mediation, setting forth a description of the Dispute and the relief requested.

The Parties will cooperate with one another in selecting the mediator (“Mediator”) from the panel of neutrals from Judicial Arbitration and Mediation Services, Inc. (“JAMS”), its successor, or any other mutually acceptable non-JAMS Mediator, and in scheduling the time and place of the mediation.

Such selection and scheduling will be completed within forty-five (45) days after Notice of the request for mediation.

Unless otherwise agreed to by the Parties, the mediation will not be scheduled for a date that is greater than one hundred twenty (120) days from the date of Notice of the request for mediation.

The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the mediation, which fees and costs will be borne by such Party).

All offers, promises, conduct and statements, whether oral or written, made in connection with or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator’s agents, representatives and employees, will not be subject to discovery and will be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or

other proceeding between or involving the Parties, or either of them, *provided*, evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

12.03 Arbitration.

Either Party may initiate binding arbitration with respect to the matters first submitted to mediation by providing Notice in accordance with Section 10.08 of a demand for binding arbitration before a single, neutral arbitrator (the “Arbitrator”) within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 12.02, above. If Notice of arbitration is not provided by either Party within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 12.02 above, the Dispute resolution process shall be deemed complete and further resolution of such Dispute shall be barred, without regard to any other limitations period set forth by law or statute.

The Parties will cooperate with one another in selecting the Arbitrator within sixty (60) days after Notice of the demand for arbitration and will further cooperate in scheduling the arbitration to commence no later than one hundred eighty (180) days from the date of Notice of the demand.

If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually-acceptable Arbitrator, the Arbitrator will be appointed as provided for in California Code of Civil Procedure Section 1281.6. To be qualified as an Arbitrator, each candidate must be a retired judge of a trial court of any state or federal court, or retired justice of any appellate or supreme court.

Unless otherwise agreed to by the Parties, the individual acting as the Mediator will be disqualified from serving as the Arbitrator in the dispute, although the Arbitrator may be another member of the JAMS panel of neutrals or such other panel of neutrals from which the Parties have agreed to select the Mediator.

Upon Notice of a Party’s demand for binding arbitration, such Dispute submitted to arbitration, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by binding arbitration before the Arbitrator, in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

Except as provided for herein, the arbitration will be conducted by the Arbitrator in accordance with the rules and procedures for arbitration of complex business disputes for the organization with which the Arbitrator is associated.

Absent the existence of such rules and procedures, the arbitration will be conducted in accordance with the California Arbitration Act, California Code of Civil Procedure Section 1280 *et seq.* and California procedural law (including the Code of Civil Procedure, Civil Code, Evidence Code and Rules of Court, but excluding local rules).

Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration will be in Los Angeles County, California.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Also notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, discovery will be limited as follows:

- (a) Before discovery commences, the Parties shall exchange an initial disclosure of all documents and percipient witnesses which they intend to rely upon or use at any arbitration proceeding (except for documents and witnesses to be used solely for impeachment);
- (b) The initial disclosure will occur within thirty (30) days after the initial conference with the Arbitrator or at such time as the Arbitrator may order;
- (c) Discovery may commence at any time after the Parties' initial disclosure;
- (d) The Parties will not be permitted to propound any interrogatories or requests for admissions;
- (e) Discovery will be limited to twenty-five (25) document requests (with no subparts), three (3) lay witness depositions, and three (3) expert witness depositions (unless the Arbitrator holds otherwise following a showing by the Party seeking the additional documents or depositions that the documents or depositions are critical for a fair resolution of the Dispute or that a Party has improperly withheld documents);
- (f) Each Party is allowed a maximum of three (3) expert witnesses, excluding rebuttal experts;
- (g) Within sixty (60) days after the initial disclosure, or at such other time as the Arbitrator may order, the Parties shall exchange a list of all experts upon which they intend to rely at the arbitration proceeding;
- (h) Within thirty (30) days after the initial expert disclosure, the Parties may designate a maximum of two (2) rebuttal experts;
- (i) Unless the Parties agree otherwise, all direct testimony will be in form of affidavits or declarations under penalty of perjury; and
- (j) Each Party shall make available for cross examination at the arbitration hearing its witnesses whose direct testimony has been so submitted.

Subject to Article Seven, the Arbitrator will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of the Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of Section 2.04(b), 3.01, 3.02, 3.06(h), 3.09 or 10.10 of this Agreement.

Judgment on the award may be entered in any court having jurisdiction.

The Arbitrator must, in any award, allocate all of the costs of the binding arbitration (other than each Party's individual attorneys' fees and costs related to the Party's participation in the arbitration, which fees and costs will be borne by such Party), including the fees of the Arbitrator and any expert witnesses, against the Party who did not prevail.

Until such award is made, however, the Parties will share equally in paying the costs of the arbitration.

At the conclusion of the arbitration hearing, the Arbitrator shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Arbitrator's decision is based. The Arbitrator shall also have the authority to resolve claims or issues in advance of the arbitration hearing that would be appropriate for a California superior court judge to resolve in advance of trial. The Arbitrator shall not have the power to commit errors of law or fact, or to commit any abuse of discretion, that would constitute reversible error had the decision been rendered by a California superior court. The Arbitrator's decision may be vacated or corrected on appeal to a California court of competent jurisdiction for such error. Unless otherwise agreed to by the Parties, all proceedings before the Arbitrator shall be reported and transcribed by a certified court reporter, with each Party bearing one-half of the court reporter's fees.

12.04 Provisional Relief.

The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of this Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy for a breach of Section 2.04(b), 3.01, 3.02, 3.06(h), 3.09 or 10.10 of this Agreement in any court of competent jurisdiction, notwithstanding the obligation to submit all other disputes (including all claims for monetary damages under this Agreement) to arbitration pursuant to Section 12.01. The Parties further acknowledge and agree that the results of the arbitration may be rendered ineffectual without the provisional relief.

Such a request for provisional relief does not waive a Party's right to seek other remedies for the breach of the provisions specified above in accordance with Section 12.01, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in this Agreement for the breach of the provision, or if the Agreement does not specify a remedy for the breach, all other remedies available at law or equity to the Parties for the breach.

*** End of ARTICLE TWELVE **

The contents of this document are subject to restrictions on disclosure as set forth herein.

In WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date first written:


GEYSERS POWER COMPANY, LLC,

**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a Delaware limited liability company.

a California corporation.

By: 

By: 

John B. (Thad) Hill



Stuart R. Hemphill

President

Senior Vice President of Power Supply

Date: 7/24/2014

Date: 7/29/14

EXHIBITS

EXHIBIT A*Definitions*

The following terms shall have the following meaning for purposes of this Agreement.

1. “AC” means alternating current.
2. “Accepted Compliance Costs” has the meaning set forth in Section 1.11.
3. “Affiliate” means, with respect to a Party, any entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with that Party.
4. “Agreement” has the meaning set forth in the Preamble.
5. “Allocated Metered Amounts” means the total quantity of Metered Amounts, in kWh, that Seller allocates to SCE from all of the Units during the designated time period, as set forth in Seller’s Monthly Report of Allocated Metered Amounts in the form set forth in Attachments No. 2 and No. 3 of Exhibit H, that qualify as renewable power under the requirements of the California Renewables Portfolio Standard, or which do not so qualify solely due to a change in RPS Legislation occurring after the Effective Date, subject to Seller’s compliance with Section 1.11.
6. “Applicable Laws” means all constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority that apply to either or both of the Parties, the Generating Facility or the terms of this Agreement.
7. “Arbitrator” has the meaning set forth in Article Twelve.
8. “Availability Incentive Payments” has the meaning set forth in the CAISO Tariff.
9. “Availability Standards” has the meaning set forth in the CAISO Tariff.
10. “Bankrupt” means with respect to any entity, such entity:
 - (a) Files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it;
 - (b) Makes an assignment or any general arrangement for the benefit of creditors;
 - (c) Otherwise becomes bankrupt or insolvent (however evidenced);
 - (d) Has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to such entity or any substantial portion of its property or assets; or
 - (e) Is generally unable to pay its debts as they fall due.
11. “Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. §101 *et seq.*), as amended, and any successor statute.

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12. “Bid” has the meaning as set forth in the CAISO Tariff.
13. “Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the Friday following Thanksgiving. A Business Day begins at 8:00 a.m. and end at 5:00 p.m. local time for the Party sending the Notice or payment or performing a specified action.
14. “Business Practice Manuals” or “BPMs” has the meaning as set forth in the CAISO Tariff.
15. “Buyer” means Southern California Edison Company.
16. “CAISO” means the California Independent System Operator Corporation or successor entity.
17. “CAISO Approved Meter” means a CAISO approved revenue quality meter or meters, CAISO approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, all electric energy produced by the Generating Facility less Station Use.
18. “CAISO-Controlled Grid” has the meaning as set forth in the CAISO Tariff.
19. “CAISO Costs” means the debits, costs, penalties and interest that are directly assigned by the CAISO to the CAISO Resource ID for the Generating Facility for, or attributable to, Scheduling or deliveries from the Generating Facility under this Agreement in each applicable Settlement Interval.
20. “CAISO Markets” has the meaning as set forth in the CAISO Tariff.
21. “CAISO Resource ID” means each of the numbers or names assigned by the CAISO to the CAISO Approved Meter for each Unit.
22. “CAISO Revenues” means the credits and other payments incurred or received by SCE as a result of energy from the Generating Facility delivered to any CAISO administered market by Seller, including costs and revenues associated with CAISO dispatches, for each applicable Settlement Interval.
23. “CAISO Sanctions” means any sanctions directly assigned by the CAISO to the CAISO Resource ID for the Generating Facility or attributable to, Scheduling or deliveries from the Generating Facility under this Agreement for each applicable Settlement Interval.
24. “CAISO Tariff” means the California Independent System Operator Corporation Operating Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.
25. “Calculation Period” has the meaning set forth in Section 3.07(a)(i).
26. “California Renewables Portfolio Standard” means the California Public Utilities Code Section 399.11, *et seq.*

27. “Capacity Attributes” means any and all current or future defined characteristics, certificates, tags, credits, ancillary service attributes, or accounting constructs, howsoever entitled, including any accounting construct counted toward any resource adequacy requirements, attributed to or associated with the Generating Facility or any unit of generating capacity of the Generating Facility throughout the Delivery Term, including:
- (a) resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward RAR;
 - (b) resource adequacy attributes or other locational attributes for the Generating Facility related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority having jurisdiction, associated with the physical location or point of electrical interconnection of the Generating Facility within the CAISO-Controlled Grid, that can be counted toward a Local RAR; and
 - (c) flexible capacity resource adequacy attributes for the Generating Facility, including, without limitation, the amount of EFC as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward Flexible RAR.
28. “Capacity Procurement Mechanism” or “CPM” has the meaning as set forth in the CAISO Tariff.
29. “CEC” means the California Energy Commission.
30. “CEC Certification” means certification by the CEC that the Generating Facility is an ERR for purposes of the RPS Legislation and that all electric energy produced by the Generating Facility qualifies as generation from an ERR for purposes of the RPS Legislation.
31. “CEC Pre-Certification” means provisional certification of the proposed Generating Facility as an ERR by the CEC upon submission by a facility of a complete CEC-RPS-1B application and required supplemental information.
32. “CEC Verification” means verification by the CEC based on ongoing reporting by Seller that the Generating Facility is an ERR for purposes of the RPS Legislation and that all electric energy produced by the Generating Facility qualifies as generation from an ERR for purposes of the RPS Legislation.
33. “CFR” means the Code of Federal Regulations, as may be amended from time to time.
34. “Change in CAISO Tariff” means that the CAISO Tariff has been changed and such change has a material adverse impact on either Party, or the CAISO has been dissolved or replaced and any successor to the CAISO operates under rules, protocols, procedures or standards that differ in a material respect from the CAISO Tariff, after the Effective Date.
35. “Change of Control” means that Calpine Corporation ceases to own directly or indirectly at least fifty percent (50%) of Seller.

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36. “Claiming Party” has the meaning set forth in Section 5.02.
37. “Collateral Assignment Agreement” has the meaning set forth in Section 10.05.
38. “Compliance Actions” has the meaning set forth in Section 1.11.
39. “Compliance Expenditure Cap” means the dollar amount set forth in Section 1.11.
40. “Confidential Information” has the meaning set forth in Section 10.10(b)(ii).
41. “Contract Capacity” means the amount of electric energy generating capacity, set forth in Section 1.01(h), from the Units that Seller commits to this Agreement.
42. “Control Area” means the electric power system (or combination of electric power systems) under the operational control of the CAISO or any other electric power system under the operational control of another organization vested with authority comparable to that of the CAISO.
43. “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions, legal expenses and other similar third party transaction costs and expenses reasonably incurred by that Party in entering into any new arrangement which replaces this Agreement.
44. “CPUC” means the California Public Utilities Commission.
45. “CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:
 - (a) Approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and
 - (b) Finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.
46. “Credit Rating” means with respect to any entity, on the relevant date of determination, the respective ratings then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligation by S&P, Fitch or Moody’s, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned by the other two ratings agencies.

47. “Curtailed Scheduled Amount” means the amount of Product curtailed pursuant to a Scheduled Amounts Curtailment Order.
48. “Curtailment Cap” is the yearly quantity (per Term Year), in MWh, set forth in Section 1.09.
49. “Day-Ahead Market” has the meaning set forth in the CAISO Tariff.
50. “Defaulting Party” has the meaning set forth in Section 6.01.
51. “Delivery Point” means each of the points of delivery of Product to the CAISO-Controlled Grid, as specified in Section 1.01(f) and set forth in the table and single-line diagram of the CAISO-Controlled Grid interconnection set forth in Exhibit B.
52. “Delivery Term” means the period beginning with the Term Commencement Date and continuing throughout the end of the Term.
53. “Demonstration Hour” has the meaning set forth in Exhibit K.
54. “Disclosing Party” has the meaning set forth in Section 10.10.
55. “Disclosure Order” has the meaning set forth in Section 10.10.
56. “Dispatch Instruction” has the meaning set forth in the CAISO Tariff.
57. “Dispute” means any and all disputes, claims or controversies arising out of, relating to, concerning or pertaining to the terms of this Agreement, or to either Party’s performance or failure of performance under this Agreement.
58. “Disqualified Stock” means any capital stock that, by its terms (or by the terms of any security into which such stock is convertible, or for which such stock is exchangeable, in each case at the option of the holder of the capital stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the capital stock, in whole or in part, on or before the date that is ninety-one (91) days after the expiration of the Term of this Agreement.
59. “Early Termination Date” has the meaning set forth in Section 6.02.
60. “EFC” means the effective flexible capacity (in MWs) of the Generating Facility pursuant to the Resource Adequacy Rulings and CAISO Tariff, in each case to the extent applicable, and which such flexible capacity may be used to satisfy a load-serving entity’s Flexible RAR.
61. “Effective Date” has the meaning set forth in the Preamble.
62. “Emergency” means:
 - (a) An actual or imminent condition or situation which jeopardizes the integrity of Transmission Provider’s electric system or the integrity of any other systems to which the Transmission Provider’s electric system is connected, as determined by the Transmission Provider in its reasonable discretion, or any condition so defined and declared by the CAISO; or

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- (b) An emergency condition as defined under an interconnection agreement and any abnormal interconnection or system condition that requires automatic or immediate manual action to prevent or limit loss of load or generation supply, that could adversely affect the reliability of the Transmission Provider's electric system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety.
63. "Energy Communication Network" or "ECN" means the CAISO infrastructure network (data highway) used by all CAISO participants to exchange data to and from resources and CAISO.
64. "Energy Deviations" means the absolute value of the difference, in kWh, in any Settlement Interval between:
- (a) Expected Energy; and
- (b) Scheduled Amounts plus Lost Output.
65. "Equitable Defense" means any bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain equitable remedies may be pending.
66. "ERR" has the meaning set forth in Section 10.02(b)(i).
67. "Event of Default" has the meaning set forth in Section 6.01.
68. "Event of Deficient Energy Deliveries" means any instance in which Seller fails to meet Seller's Energy Delivery Obligation as determined in accordance with Section 3.07(a)(ii), which failure results in Seller's obligation to pay the applicable Product Replacement Damage Amount.
69. "Event of Excess Deliveries" has the meaning set forth in Section 6.01(b)(vii).
70. "Expected Annual Net Energy Production" means the Generating Facility's expected annual Allocated Metered Amounts, as calculated in accordance with Section 1.01(j).
71. "Expected Energy" has the meaning set forth in the CAISO Tariff.
72. "Expected Term Commencement Date" has the meaning set forth in Section 1.03.
73. "EZ Gen Hub NP-15" means the Existing Zone Generation Trading Hub for the geographical area in which the Generating Facility is located.
74. "Federal Funds Effective Rate" means the annual interest rate posted opposite the caption "Federal Funds (effective)" as set forth in the weekly statistical release as H.15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System.
75. "FERC" means the Federal Energy Regulatory Commission.
76. "Flexible RAR" means the flexible capacity requirements established for load-serving entities by the CPUC pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction.

77. “Fitch” means Fitch Ratings Ltd. or its successor.
78. “Force Majeure” means any occurrence that was not anticipated as of the Effective Date that:
- (a) In whole or in part:
 - (i) Delays a Party’s performance under this Agreement;
 - (ii) Causes a Party to be unable to perform its obligations; or
 - (iii) Prevents a Party from complying with or satisfying the conditions of this Agreement;
 - (b) Is not within the control of that Party; and
 - (c) The Party has been unable to overcome by the exercise of due diligence, including an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, sabotage, strike or labor dispute, or actions or inactions of any Governmental Authority (including a change in Applicable Law but excluding Seller’s compliance obligations as set forth in Section 3.20), or curtailment or reduction in deliveries at the direction of a Transmission Provider or the CAISO (except as set forth below).
- Force Majeure does not include:
- (d) The lack of wind, sun or other fuel source of an inherently intermittent nature;
 - (e) Reductions in generation from the Generating Facility resulting from ordinary wear and tear, deferred maintenance or Operator error;
 - (f) Curtailment or reduction in deliveries at the direction of a Transmission Provider or the CAISO when the basis of the curtailment or reduction in deliveries ordered by a Transmission Provider or the CAISO is congestion arising in the ordinary course of operations of the Transmission Provider’s system or the CAISO-Controlled Grid, including congestion caused by outages or capacity reductions for maintenance, construction or repair;
 - (g) Any delay in providing, or cancellation of, any Permit by the issuing Governmental Authority, except to the extent such delay or cancellation is the result of a force majeure claimed by the Governmental Authority; or
 - (h) Any delay in providing, or cancellation of, interconnection service by a Transmission Provider, except to the extent such delay or cancellation is the result of a force majeure claimed by the Transmission Provider.
79. “Forced Outage” has the meaning set forth in the CAISO Tariff.
80. “Forecast” means an hourly forecast provided in accordance with Exhibit D, of, in accordance with SCE instructions, either:

- (a) The sum of the continuous electrical output ratings for the Units (in MWs) in the Generating Facility that are operational and used for the sale of Product to SCE;
or
 - (b) The sum of electric energy (in MWh) expected to be generated by the Units for sale to SCE.
81. “Forecasting” means the action of Seller in preparing and submitting the Forecasts to SCE.
82. “Forward Settlement Amount” means the Non-Defaulting Party’s Costs and Losses, on the one hand, netted against its Gains, on the other.
- If the Non-Defaulting Party’s Costs and Losses exceed its Gains, then the Forward Settlement Amount shall be an amount owing to the Non-Defaulting Party.
- If the Non-Defaulting Party’s Gains exceed its Costs and Losses, then the Forward Settlement Amount shall be zero dollars (\$0).
- The Forward Settlement Amount shall not include consequential, incidental, punitive, exemplary or indirect or business interruption damages.
83. “Full Capacity Deliverability Status” or “FCDS” has the meaning set forth in the CAISO Tariff.
84. “GAAP” means accounting principles generally accepted in the United States of America.
85. “Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner.
- Factors used in determining the economic benefit to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining Term of this Agreement, and includes the value of Green Attributes, Capacity Attributes and Resource Adequacy Benefits.
- Only if the Non-Defaulting Party is unable, after using commercially reasonable efforts, to obtain third party information to determine the gain of economic benefits, *then* the Non-Defaulting Party may use information available to it internally suitable for this purpose in accordance with prudent industry practices.
86. “Generating Facility” means all of the Units described in Exhibit B and those other geothermal powered generating facility units that Seller owns, develops or purchases in

the Geysers Known Geothermal Resource Area and that are added to this Agreement pursuant to Section 3.03(b), together with all materials, equipment systems, structures, features and improvements necessary to produce electric energy at the facility, excluding the Site, land rights and interests in land.

87. “Generation Management System” or “GMS” means the automated system, or its successor system, employed by SCE real time operations to remotely monitor and dispatch the Generating Facility.
88. “Generation Operations Center” or “GOC” means the location of SCE’s real time operations personnel.
89. “Generator Operator” means the entity that Operates the Generating Facility and performs the functions of supplying energy and interconnected operations services as described in the NERC Reliability Standards.
90. “Generator Operator Obligations” means the obligations of a Generator Operator as set forth in all applicable NERC Reliability Standards.
91. “Generator Owner” means an entity that owns the Generating Facility and has registered with NERC as the entity responsible for complying with those NERC Reliability Standards applicable to owners of generating units as set forth in the NERC Reliability Standards.
92. “Generator Owner Obligations” means the obligations of a Generator Owner as set forth in all applicable NERC Reliability Standards.
93. “Geothermal Reservoir Report” means a report obtained by Seller from an expert independent consulting firm qualified in geothermal reservoir assessment which assesses the geothermal potential at the Site.
94. “Geysers PNode” means any of the CAISO PNodes set forth in Exhibit B for each of the Units
95. “Governmental Authority” means:
 - (a) Any federal, state, local, municipal or other government;
 - (b) Any governmental, regulatory or administrative agency, commission, or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
 - (c) Any court or governmental tribunal.
96. “Governmental Charges” has the meaning as set forth in Section 9.02.
97. “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:

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- (1) Any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants;
- (2) Any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹
- (3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy.

Green Attributes do not include:

- (i) Any energy, capacity, reliability or other power attributes from the Project,
- (ii) Production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation,
- (iii) Fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or
- (iv) Emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits.

If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide SCE with sufficient Green Attributes to ensure that there are zero (0) net emissions associated with the production of electricity from the Project.

98. "Green Market Price" means the market price for energy and Green Attributes from an ERR.

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

99. “Indemnified Party” has the meaning set forth in Section 10.03(d).
100. “Indemnitor” has the meaning set forth in Section 10.03(d).
101. “Interconnection Point” means each of the locations where any of the Units first interconnects with the existing electrical transmission or distribution system, as described on Exhibit B.
102. “Interest Rate” means, for any date:
- (a) The per annum rate of interest equal to the “Prime Rate” published in *The Wall Street Journal* under “Money Rates” or such date (or if not published on such date on the most recent preceding day on which published); plus
 - (b) Two percentage points (2%);
- provided*, in no event may the Interest Rate exceed the maximum interest rate permitted by Applicable Laws.
103. “Internal Revenue Code” means Title 26 of the United States Code.
104. “Inter-SC Trade” has the meaning set forth in the CAISO Tariff.
105. “Inter-SC Trade Delivery Point” has the meaning set forth in Section 1.01(f).
106. “JAMS” has the meaning set forth in Article Twelve.
107. “kW” means a kilowatt of electric energy generating capacity.
108. “kWh” means a kilowatt-hour of electric energy.
109. “Lease” means one or more agreements whereby Seller leases the real property of the Site described in Section 1.01(b) from a third party, the term of which lease begins on or before the commencement of construction of the Generating Facility and extends at least through the last day of the Term.
110. “Legacy Geysers Performance Assurance” has the meaning set forth in Section 1.07.
111. “Legacy Geysers PPA” has the meaning set forth in Section 1.07.
112. “Lender” means any financial institutions or successors in interest or assignees that provide(s) development, bridge, construction, permanent debt or tax equity financing or refinancing for the Generating Facility to Seller.
113. “Letter of Credit” means an irrevocable, nontransferable standby letter of credit, substantially in the form of Exhibit M or, with respect to the Legacy Geysers Performance Assurance, in the form of Exhibit S, or otherwise reasonably acceptable to SCE, provided by Seller from an issuer reasonably acceptable to SCE that is either a U.S. financial institution or commercial bank or a U.S. branch of a foreign bank with the financial institution or bank having a Credit Rating of at least (a) “A-” from S&P and Fitch, and “A3” from Moody’s, if such entity is rated by all three ratings agencies; or (b) “A-” from S&P or Fitch, or “A3” from Moody’s, if such entity is rated by only one or two of the ratings agencies. Seller must bear the costs of all Letters of Credit.

114. “Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events:
- (a) The issuer of the Letter of Credit fails to comply with or perform its obligations under such Letter of Credit;
 - (b) The issuer of the Letter of Credit disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Letter of Credit;
 - (c) The Letter of Credit fails or ceases to be in full force and effect at any time;
 - (d) Seller fails to provide an extended or replacement Letter of Credit prior to twenty (20) Business Days before the Letter of Credit expires or terminates;
 - (e) The issuer of the Letter of Credit becomes Bankrupt; or
 - (f) The issuer of a Letter of Credit fails to maintain a Credit Rating of at least (i) “A-” from S&P and Fitch, and “A3” from Moody’s, if such entity is rated by all three ratings agencies; or (ii) “A-” from S&P or Fitch, or “A3” from Moody’s, if such entity is rated by only one or two of the such ratings agencies;

provided, no Letter of Credit Default will occur or be continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

115. “Local Business Day” means a Business Day on which commercial banks are open for business in relation to any:
- (a) Payment, in the place where the relevant account is located; and
 - (b) Notice or other communication, in the location specified in the address for notice provided by the recipient, except for the Friday immediately following the U.S. Thanksgiving holiday or a Federal Reserve Bank holiday.
116. “Local Capacity Area” has the meaning set forth in the CAISO Tariff.
117. “Local RAR” means the local resource adequacy requirements established for load-serving entities by the CPUC pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction. “Local RAR” may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.
118. “Locational Marginal Price” or “LMP” has the meaning set forth in the CAISO Tariff.
119. “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner.

Factors used in determining economic loss to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude

Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining Term of this Agreement and must include the value of Green Attributes, Capacity Attributes and Resource Adequacy Benefits.

Only if the Non-Defaulting Party is unable, after using commercially reasonable efforts, to obtain third party information to determine the loss of economic benefits, then the Non-Defaulting Party may use information available to it internally suitable for these purposes in accordance with prudent industry practices.

120. “Lost Output” means the reduction in Metered Amounts over the relevant measurement period that the Units were available to produce and could reasonably have been expected to deliver, based upon the calculation method set forth in Exhibit L, but was not delivered due to a Lost Output Event.
121. “Lost Output Event” means any of the following occurrences which cause Seller to be unable to deliver energy:
- (a) Force Majeure;
 - (b) An Event of Default where SCE is the Defaulting Party;
 - (c) A curtailment or reduction of deliveries as ordered or instructed by the CAISO, or a Transmission Provider (including without limitation a curtailment or reduction that does not constitute a Force Majeure as provided in subparagraph (f) of the definition of Force Majeure); or
 - (d) An Emergency, to the extent not already covered in item (c) above.
122. “Lost Output Report” means the monthly report of Lost Output.
123. “Mediator” has the meaning set forth in Article Twelve.
124. “Metered Amounts” means the electric energy expressed in kWh, as recorded by the CAISO Approved Meter(s).
125. “Minimum Nominal Rating” is 300 MW.
126. “Monthly Report of Allocated Metered Amounts” has the meaning set forth in Section 3.01(e).
127. “Monthly Excess Scheduled Amounts Damages Payment” means the payment calculated pursuant to Section 1.02 of Exhibit E.
128. “Moody’s” means Moody’s Investor Services, Inc.
129. “Multiplier” has the meaning set forth in Section 3.02(e).
130. “MW” means a megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

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131. “MWh” means a megawatt-hour (or 1,000 kilowatt-hours) of electric energy.
132. “Negative Day-Ahead LMP” means a Negative LMP as determined by CAISO in the Day-Ahead Market.
133. “Negative LMP” means, in any Settlement Interval, the LMP at the Generating Facility’s PNode is less than zero dollars (\$0).
134. “Negative LMP Costs” has the meaning set forth in Section 1.06(b)(i).
135. “NERC” means the North American Electric Reliability Corporation, or any successor thereto.
136. “NERC Reliability Standards” means those reliability standards applicable to the Generating Facility, or to the Generator Owner or the Generator Operator with respect to the Generating Facility, that are adopted by NERC and approved by the applicable regulatory authorities.
137. “NERC Standards Non-Compliance Penalties” means any and all monetary fines, penalties, damages, interest or assessments by the NERC, CAISO, WECC, a Governmental Authority or any entity acting at the direction of a Governmental Authority arising from or relating to a failure to perform the obligations of Generator Operator or Generator Owner as set forth in the NERC Reliability Standards.
138. “Net Qualifying Capacity” has the meaning set forth in the CAISO Tariff.
139. “Nominal Rating” means the sum of the nameplate capacity ratings of each Unit in the Generating Facility as set forth on Exhibit B as updated from time to time.
140. “Non-Availability Charges” has the meaning set forth in the CAISO Tariff.
141. “Non-Defaulting Party” has the meaning set forth in Section 6.02.
142. “Non-Disclosure Agreement” has the meaning set forth in Section 10.10(b)(i).
143. “Notice” means notices, requests, statements or payments provided in accordance with Section 10.08 and Exhibit C.
144. “Notice of Non-Renewal” has the meaning set forth in Section 8.02(b)(iv)(2).
145. “OMAR” means the Operational Metering Analysis and Reporting System operated and maintained by the CAISO as the repository of settlement quality meter data or its successor.
146. “Operate”, “Operates”, “Operated”, “Operating” or “Operation” means to provide (or the provision of) all the operation, engineering, purchasing, repair, supervision, training, inspection, testing, protection, use, management, improvement, replacement, refurbishment, retirement, and maintenance activities associated with operating the Generating Facility in accordance with Prudent Electrical Practices.
147. “Operating Procedures” has the meaning as set forth in the CAISO Tariff.
148. “Outage Schedule” has the meaning set forth in Section 3.15.

The contents of this document are subject to restrictions on disclosure as set forth herein.

149. “Party” or “Parties” have the meaning set forth in the Preamble.
150. “Payment Invoices” are invoices issued by SCE to Seller during the Delivery Term detailing amounts owed by SCE to Seller or by Seller to SCE for energy deliveries, CAISO Revenues, CAISO Costs, CAISO Sanctions, SCE Penalties and other charges and adjustments as may be owed by the Parties, in accordance with Exhibit E.
151. “Performance Assurance” means collateral (in the amount of the Performance Assurance Amount set forth in Section 1.07) for Seller’s performance under this Agreement in the form of cash or Letter(s) of Credit.
152. “Performance Assurance Amount” means the collateral amount for Performance Assurance set forth in Section 1.07.
153. “Performance Tolerance Band” has the meaning set forth in Exhibit N.
154. “Permitted Lien” means (a) liens imposed by any Governmental Authority for any taxes, assessments or other charges that are not delinquent or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, (b) liens arising out of court judgments or arbitral awards, so long as an appeal or proceeding for review is being prosecuted in good faith and adequate reserves, as required by GAAP, bonds or other security have been provided, or such judgments or awards are fully covered by insurance, (c) non-monetary liens incident to the ordinary course of business that do not in the aggregate materially impair the use or value of the property or assets in question, (d) liens in favor of SCE arising under or in connection with this Agreement, (e) mechanics’ and materialmen’s liens arising in the ordinary course of business for amounts not yet due or for which a bond, letter of credit or other security has been posted or which are being contested in accordance with Section 8.02(d), (f) carriers’, warehousemen’s, suppliers’ or other similar liens arising in the ordinary course of business for amounts not yet due or for which a bond, letter of credit or other security has been posted or which are being contested in accordance with Section 8.02(d), and (g) liens for the benefit of Lenders.
155. “Planned Outage” has the meaning set forth in the Resource Adequacy Rulings, namely a planned outage for the routine repair or maintenance of any of the Units, or for the purposes of new construction work, and does not include any outage designated as forced or unplanned as defined by the CAISO or NERC/GADS Protocols.
156. “PNode” has the meaning set forth in the CAISO Tariff.
157. “Product” has the meaning set forth in Section 1.01(d).
158. “Product Payment” has the meaning set forth in Exhibit E.
159. “Product Price” has the meaning set forth in Section 1.06.
160. “Product Replacement Damage Amount” has the meaning set forth in Section 3.07(b).
161. “Project” means the Generating Facility.

162. “Prudent Electrical Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States, similar to the Generating Facility, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known or that should reasonably have been known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety.

Prudent Electrical Practices shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers’ warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, the CAISO and Applicable Laws.

Prudent Electrical Practices also includes taking reasonable steps to ensure that:

- (a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Generating Facility’s needs;
 - (b) Sufficient Operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to Operate the Generating Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Generating Facility and Emergencies whether caused by events on or off the Site;
 - (c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long term and safe Operation of the Generating Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
 - (d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
 - (e) Equipment is not Operated in a reckless manner, in violation of manufacturer’s guidelines or in a manner unsafe to workers, the general public, or the Transmission Provider’s electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and
 - (f) Equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site and under both normal and emergency conditions.
163. “RA Deficit” has the meaning set forth in Section 3.02(e).

164. “RA Deficit Payments” has the meaning set forth in Section 3.02(e).
165. “RA Showing” means (a) the Resource Adequacy Requirements compliance or advisory showings (or similar or successor showings), (b) the Local RAR compliance or advisory showings (or similar or successor showings) and (c) the Flexible RAR compliance or advisory showings (or similar successor showings), that SCE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO), pursuant to the Resource Adequacy Rulings, to the CAISO pursuant to the CAISO Tariff, or to any Governmental Authority having jurisdiction.
166. “RAP ID” means the contract identification number set forth on the title page to this Agreement.
167. “Real-Time Availability” means Seller’s cumulative available capacity of the Generating Facility on a real-time basis.
168. “Real-Time Market” has the meaning set forth in the CAISO Tariff.
169. “Remaining Scheduled Amounts” has the meaning set forth in Section 3.12(g)(v).
170. “Renewable Energy Credit” or “REC” has the meaning set forth in CPUC Decision D.08-08-028, as such definition may be modified by the CPUC or Applicable Law from time to time.
171. “Replacement Unit” means a Unit designated by Seller to provide Resource Adequacy Benefits that was not the Unit originally designated by Seller for such purpose.
172. “Required Material” means any permit, license, application, certification, design, specification, program, agreement, instrument, equipment, device, mechanism, or any other item in connection with the Generating Facility to be reviewed or approved by SCE or on SCE’s behalf, or requested or required of Seller by SCE or on SCE’s behalf, under this Agreement.
173. “Resold RA” has the meaning set forth in Section 3.02(f).
174. “Resource Adequacy Benefits” means the rights and privileges attached to the Generating Facility that satisfy any entity’s Resource Adequacy Requirements, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Generating Facility.
175. “Resource Adequacy Requirements” or “RAR” means the resource adequacy requirements applicable to SCE pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction.
176. “Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority, as such

- decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time throughout the Delivery Term.
177. “Responsible Officer” means the chief financial officer, treasurer or any assistant treasurer of a Party or any employee of a Party designated by any of the foregoing.
178. “Restricted Period” has the meaning set forth in Section 2.04(b).
179. “RPS” means the State of California Renewable Portfolio Standard Program.
180. “RPS Legislation” means the State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, *et seq.*
181. “S&P” means the Standard & Poor’s Financial Services LLC.
182. “SCE” has the meaning set forth in the Preamble.
183. “Schedule,” “Scheduled” or “Scheduling” means the action of SCE or Seller, as applicable, in submitting Bids to the CAISO and receiving all CAISO Markets results from the CAISO.
184. “Scheduled Amounts” means the total quantity of electric energy sales from the Units Scheduled by Seller and confirmed by SCE at the Inter-SC Trade Delivery Point in the form of an Inter-SC Trade during the Delivery Term, in MW.
185. “Scheduled Amounts Curtailment Order” means an instruction from SCE, at SCE’s sole discretion, for Seller to curtail the Scheduled Amounts as set forth in Section 3.12(g)(iii).
186. “Scheduled Amounts Curtailment Period” has the meaning set forth in Section 3.12(g)(v).
187. “Scheduling Coordinator” or “SC” means an entity certified by the CAISO for the purposes of undertaking the functions specified by the CAISO Tariff.
188. “SEC” means the Securities and Exchange Commission.
189. “Security Interest” has the meaning set forth in Section 8.03.
190. “Seller” has the meaning set forth in the Preamble.
191. “Seller’s Debt” means, without duplication, each of the following:
- (a) All indebtedness of Seller for borrowed money;
 - (b) All obligations of Seller for the deferred purchase price of property or services which purchase price is due more than six months after the date of placing such property in service or taking delivery or title thereto or the completion of such services (other than trade payables not overdue by more than ninety (90) days incurred in the ordinary course of Seller’s business);
 - (c) All obligations of Seller evidenced by notes, bonds, debentures, Disqualified Stock or other similar instruments;

- (d) All obligations of Seller created or arising under any conditional sale or other title retention agreement with respect to property acquired by Seller (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);
- (e) All monetary obligations of Seller under:
 - (i) A lease of any property (whether real, personal or mixed) by Seller as lessee that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of Seller;
 - (ii) A so-called synthetic, off-balance sheet or tax retention lease; or
 - (iii) An agreement for the use or possession of property creating obligations which do not appear on the balance sheet of Seller but which, upon the insolvency or bankruptcy of Seller, would be characterized as indebtedness of Seller (without regard to accounting treatment);
- (f) All obligations, contingent or otherwise, of Seller under acceptance, letter of guaranty, letter of credit or similar facilities;
- (g) All obligations of Seller with respect to any redeemable equity interests in Seller, including in the case of preferred stock at the greater of the voluntary or involuntary liquidation preference plus accrued and unpaid dividends;
- (h) All obligations of Seller with respect to any swaps, caps or collar agreements or similar arrangements to hedge against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies, in each case, valued at the aggregate net mark-to-market value;
- (i) All indebtedness of others referred to in clauses (a) through (h) above guaranteed by Seller, or in effect guaranteed by Seller through an agreement:
 - (i) To pay or purchase such indebtedness or to advance or supply funds for the payment or purchase of such indebtedness;
 - (ii) To purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of the indebtedness or to assure the holder of such indebtedness against loss;
 - (iii) To supply funds to or invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered); or
 - (iv) Otherwise to assure a creditor against loss; and
- (j) Without duplication of the foregoing, all indebtedness referred to in clauses (a) through (i) above secured by any lien on property (including accounts and contract rights) owned by Seller.

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The outstanding amount of indebtedness as described above at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations as described above, the maximum liability upon the occurrence of the contingency giving rise to the obligation.

Notwithstanding the foregoing, the term “Seller’s Debt” as used herein does not include Seller’s obligations under this Agreement.

192. “Seller’s Energy Delivery Obligation” has the meaning set forth in Section 3.07(a)(i).
193. “Settlement Interval” has the meaning set forth in the CAISO Tariff.
194. “Showing Month” means the month for which an RA Showing is made.
195. “Simple Interest Payment” means a dollar amount calculated by multiplying the:
- (a) Dollar amount on which the Simple Interest Payment is based; times
 - (b) Federal Funds Effective Rate or Interest Rate, as applicable; times
 - (c) The result of dividing the number of days in the Calculation Period by 360.
196. “Site” means, with respect to each Unit or the Generating Facility, as applicable, the real property on which such Unit or the Generating Facility is, or will be located, as further described in Section 1.01(b) and Exhibit B.
197. “Site Control” means, with respect to each Site, that Seller shall:
- (a) Own the Site;
 - (b) Be the lessee of the Site under a Lease;
 - (c) Be the holder of a right-of-way grant or similar instrument with respect to the Site; or
 - (d) Be the managing partner or other person or entity authorized to act in all matters relating to the control and Operation of the Site and the Generating Facility.
198. “Station Use” means:
- (a) The electric energy produced by the Generating Facility that is used within the Generating Facility to power the lights, motors, control systems and other electrical loads that are necessary for Operation; and
 - (b) The electric energy produced by the Generating Facility that is consumed within the Generating Facility’s electric energy distribution system as losses.
199. “Supervisory Control and Data Acquisition” or “SCADA” has the meaning set forth in the CAISO Tariff.
200. “Supplemental Lost Output” has the meaning set forth in Section 3.22.
201. “Supplemental Lost Output Report” has the meaning set forth in Section 3.22.

202. “Supply Plan” has the meaning set forth in the CAISO Tariff.
203. “Telemetry System” means a system of electronic components that interconnects the Generating Facility, GMS and the CAISO as set forth in Section 3.08(e).
204. “Term” means the term of this Agreement as set forth in Section 1.05.
205. “Term Commencement Date Security” has the meaning set forth in Section 3.06(a).
206. “Term Commencement Deadline” has the meaning set forth in Section 1.04.
207. “Term Year” means a twelve (12) month period beginning on the first day of the calendar month following the Commercial Operation Date and each successive twelve (12) month period thereafter.
208. “Termination Payment” means the sum of all amounts owed by the Defaulting Party to the Non-Defaulting Party under this Agreement, less any amounts owed by the Non-Defaulting Party to the Defaulting Party determined as of the Early Termination Date.
209. “TOD Period(s)” means the time of delivery period(s) set forth in Exhibit J.
210. “TOD Period Product Payment” means a portion of a Product Payment based upon the time of delivery of Product and calculated in accordance with the formula set forth in Section 1.02 of Exhibit E.
211. “Transmission Provider” means any entity or entities responsible for the interconnection of the Generating Facility with a Control Area or transmitting the Allocated Metered Amounts on behalf of Seller from the Generating Facility to the Delivery Point.
212. “Unincluded Capacity” means the amount, if any, by which the Contract Capacity as set forth in Section 1.01(h) exceeds the Contract Capacity that Seller demonstrates is available to SCE as of the Term Commencement Date.
213. “Unit” means each of the generating facilities designated in Attachment 1 to Exhibit B as being eligible to provide Allocated Metered Amounts under this Agreement, together with all of their associated materials, equipment, systems, structures and improvements necessary to produce electric energy at such facilities, but excluding the Site and any land rights or interests in land.
214. “Unit Quantity” or “Unit Quantities” means the amount of Net Qualifying Capacity provided from a Unit.
215. “Web Client” means a web-based system approved by SCE.
216. “WECC” means the Western Electricity Coordinating Council, the regional reliability council for the Western United States, Northwestern Mexico and Southwestern Canada.
217. “WMDVBE” means women, minority, and disabled veteran business enterprise, as more particularly set forth in CPUC General Order 156.
218. “WREGIS” has the meaning set forth in Section 3.01(d)(iv).

219. “WREGIS Certificate” means a “Certificate” as defined by WREGIS in its operating rules.

**** End of EXHIBIT A ****

EXHIBIT B*Generating Facility and Site Description*1. **Generating Facility Description.**

The power plants in The Geysers Known Geothermal Resource Area (“KGRA”) have been generating electricity for California since 1960. Geysers Power Company, LLC (“GPC”), a Calpine Corporation (“Calpine”) affiliate, has more than 35 years of experience at The Geysers, and manages the largest operations there with fifteen operating power plants, more than 350 steam wells and some 60 condensate and water injection wells connected by 80 miles of pipeline producing 725 MW of renewable energy. Attachment 1 summarizes and provides key reference data for the fifteen power plants.

Each power plant consists of a low-pressure steam turbine or turbines, a generator(s), condenser, cooling tower, air pollution abatement system, pumps and other auxiliary equipment, transformers and circuit breakers to connect the facilities to the CAISO controlled grid. Each Geysers power plant is connected to one of three PG&E owned transmission lines: Geysers-Eagle Rock 115 kV, Geysers-Fulton 230 kV, or Geysers-Lakeville 230 kV transmission (as shown in the accompanying single-line diagram).

The steam field consists of more than 400 wells and over 80 miles of steam pipelines which deliver the geothermal steam to the power plants. This extensive pipeline network allows the condensed steam (condensate) and supplemental water from within the Geysers, and from treated effluent pipelines from Santa Rosa and from Lake County, to be injected throughout the steam field to maintain and enhance steam production.

2. **Site Description.**

The Geysers KGRA is a forty square mile area of Sonoma and Lake Counties, approximately seventy miles north of San Francisco. The land in the Geysers KGRA is zoned for geothermal development and has had geothermal development within it for more than 50 years. GPC manages more than 29,000 acres under more than 150 public and private mineral and land leases in the Geysers KGRA as part of its extensive geothermal operations. Those leases provide for the continued control of site access and the steam resource beneath the ground by GPC for as long as commercial production of steam occurs.

Township numbers for The Geysers are: T.12.N R.9.W, T.12.N R.8.W, T.11.N R.9.W, T.11.N R.8.W, T.10.N R.9.W, and T.10.N R.8.W.

The mailing address for the Geysers Power Plant is:

10350 Socrates Mine Road
Middletown, CA 95461

The contents of this document are subject to restrictions on disclosure as set forth herein.

Please note that with its rural location, individual Geysers power plants do not have their own street or mailing address.

Accompanying this Exhibit B are an overhead photographic image of the Geysers showing its location in the mountains of Sonoma and Lake Counties, and a figure showing those locations and key project roads and other facilities.

As an existing resource the Geysers has all necessary permits and regulatory approvals to operate. GPC fully intends to maintain and comply with all the necessary permits required to continue operation of this geothermal resource and its generating facilities.



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ATTACHMENT 1

Facilities Comprising Calpine's Geysers Power Plant

Name of Facility	Single Line Facility Name	CAISO Resource ID	CEC RPS ID	Point of Delivery	WREGIS GU ID	NQC Rating (MW)
Aidlin Power Plant	AIDLIN P.P. (CPN-1)	ADLIN_1_UNITS	60115A	POD_ADLIN_1_UNITS_APND	W484	16
Bear Canyon Power Plant	BEAR CANYON P.P. (CPN-2)	BEARCN_2_UNITS	60112A	POD_BEARCN_2_UNITS_APND	W485	13
Sonoma Power Plant	SONOMA P.P. (CPN-3)	SMUDGO_7_UNIT 1	60010A	POD_SMUDGO_7_UNIT 1_APND	W127	37
West Ford Flat Power Plant	WEST FORD FLAT P.P. (CPN-4)	WDFRDF_2_UNITS	60114A	POD_WDFRDF_2_UNITS_APND	W487	25
Geysers Units 5&6	MC CABE P.P. (CPN 5&6)	GYS5X6_7_UNITS	60002A	POD_GYS5X6_7_UNITS_APND	W117	80
Geysers Units 7&8	RIDGE LINE P.P. (CPN 7&8)	GYS7X8_7_UNITS	60003A	POD_GYS7X8_7_UNITS_APND	W118	76
Geysers Unit 11	EAGLE ROCK PP (CPN-11)	GEYS11_7_UNIT11	60025B	POD_GEYS11_7_UNIT11_APND	W119	65
Geysers Unit 12	COBB CREEK PP (CPN-12)	GEYS12_7_UNIT12	60004A	POD_GEYS12_7_UNIT12_APND	W120	50
Geysers Unit 13	BIG GEYSERS PP (CPN-13)	GEYS13_7_UNIT13	60005A	POD_GEYS13_7_UNIT13_APND	W121	56
Geysers Unit 14	SULPHUR SPRINGS PP (CPN-14)	GEYS14_7_UNIT14	60026B	POD_GEYS14_7_UNIT14_APND	W122	50
Geysers Unit 16	QUICKSILVER PP (CPN-16)	GEYS16_7_UNIT16	60006A	POD_GEYS16_7_UNIT16_APND	W123	49
Geysers Unit 17	LAKE VIEW P.P. (CPN-17)	GEYS17_7_UNIT17	60007A	POD_GEYS17_7_UNIT17_APND	W124	53
Geysers Unit 18	SOCRATES P.P. (CPN-18)	GEYS18_7_UNIT18	60008A	POD_GEYS18_7_UNIT18_APND	W125	45
Calistoga Power Plant	CALISTOGA P.P. (CPN-19)	SANTFG_7_UNITS	60117A	POD_SANTFG_7_UNITS_APND	W486	60
Geysers Unit 20	GRANT P.P. (CPN-20)	GEYS20_7_UNIT20	60009A	POD_GEYS20_7_UNIT20_APND	W126	40

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT C

Notice List

GEYSERS POWER COMPANY, LLC ("Seller")	SOUTHERN CALIFORNIA EDISON COMPANY ("SCE")
All Notices are deemed provided in accordance with Section 10.08 if made to the address and facsimile numbers provided below:	Unless otherwise specified, all Notices are deemed provided in accordance with Section 10.08 if made to the Contract Sponsor at the address or facsimile number provided below:
Contract Sponsor: Attn: Geysers Power Company, LLC Street: 10350 Socrates Mine Road City: Middletown, CA 95461 Phone: (707) 431-6058 Facsimile: (707) 431-6246	Contract Sponsor: Attn: Vice President of Energy Contracts Street: 2244 Walnut Grove Avenue City: Rosemead, California 91770 Phone: (626)302-4023 Facsimile: (626)302-9622
Reference Numbers: Duns: 16-966-8212 Federal Tax ID Number: 77-0526913	Reference Numbers: Duns: 006908818 Federal Tax ID Number: 95-1240335
Contract Administration: Attn: Director, Asset Management Phone: (707) 431-6077 Facsimile: (707) 431-6246	Contract Administration: Attn: Director, Contract Management Phone: (626)302-9513 Facsimile: (626)302-9622
Forecasting: Attn: Scheduling Phone: (713) 830-8353 Facsimile: (713) 830-8749	Generation Operations Center: Phone: (626)307-4425 or (626)307-4420 Phone: (626)307-3409 E-mail: presched@sce.com
Day-Ahead Forecasting: Phone: (713) 830-8353	Day-Ahead Scheduling: <u>Scheduling Desk.</u> Phone: (626)307-4425 or (626)307-4420 Fax: (626)307-4426 E-mail: presched@sce.com

The contents of this document are subject to restrictions on disclosure as set forth herein.

Southern California Edison

Confidential Information

RAP ID# 3117, GEYSERS POWER COMPANY, LLC

<p>GEYSERS POWER COMPANY, LLC ("Seller")</p>	<p>SOUTHERN CALIFORNIA EDISON COMPANY ("SCE")</p>
<p>Real-Time Forecasting: Phone:</p>	<p>Real-Time Scheduling: <u>Operations Desk.</u> Phone: (626)307-4405 or (626)307-4453 Fax: (626)307-4416 E-mail: realtime@sce.com</p>
	<p>Short Term Planning:</p>
<p>Payment Invoices: Attn: Accounting Supervisor Phone: (707) 431-6229 Facsimile: (707) 431-6249 E-mail: SamM@calpine.com</p>	<p>Payment Invoices: Attn: Power Procurement - Finance Phone: (626)302-3277 Facsimile: (626)302-3276 E-mail: PPFDPowerSettle@sce.com</p>
<p>CAISO Costs and CAISO Sanctions and SCE Penalties: Attn: Phone: Facsimile: E-mail:</p>	<p>CAISO Costs, CAISO Sanctions and SCE Penalties: Attn: Power Procurement - Finance Phone: (626)302-3277 Facsimile: (626)302-3276 E-mail: PPFDPowerSettle@sce.com</p>
<p>Payments: Attn: Financial Accounting Phone: (707) 431-6839 Facsimile: (707) 431-6192 E-mail: RudeeM@calpine.com</p>	<p>Payments: Attn: Power Procurement - Finance Phone: (626)302-3277 Facsimile: (626)302-3276 E-mail: PPFDPowerSettle@sce.com</p>
<p>Wire Transfer: BNK: Union Bank of California ABA: Routing No. 122000496 ACCT: 187-0034799</p>	<p>Wire Transfer: BNK: JP Morgan Chase Bank ABA: 021000021 ACCT: 323-394434</p>
<p>Credit and Collections: Attn: Director of Corporate Credit Phone: (713) 332-5257 Facsimile: (713) 570-4764 E-mail:</p>	<p>Manager of Credit and Collateral: Attn: Manager of Credit and Collateral Phone: (626)302-1129 Facsimile: (626)302-6823 Email: scecollateral@sce.com</p>

The contents of this document are subject to restrictions on disclosure as set forth herein.

GEYSERS POWER COMPANY, LLC ("Seller")	SOUTHERN CALIFORNIA EDISON COMPANY ("SCE")
<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: Risk Management Counsel Phone: (713) 830-8872 Facsimile: (713) 830-8751 E-mail:</p> <p>With a copy to:</p> <p>Attn: Chief Legal Officer Facsimile: (832) 325-1508</p> <p>And a copy to:</p> <p>Assistant General Counsel Phone: (925) 557-2280 Facsimile: (925) 479-9608</p>	<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: Manager SCE Law Department Power Procurement Section Phone: (626)302-6897 Facsimile: (626)302-1935 Email: Beth.Fox@sce.com</p>
<p>Lender: Attn: Phone: Facsimile: E-mail:</p>	

*** End of EXHIBIT C **

EXHIBIT D*Forecasting and Scheduling Requirements and Procedures*1. Introduction.

The Parties shall abide by the Forecasting and Scheduling requirements and procedures described below and shall agree upon reasonable changes to these requirements and procedures from time-to-time, as necessary to:

- (a) Comply with CAISO Tariff;
- (b) Accommodate changes to their respective generation technology and organizational structure; and
- (c) Address changes in the operating and Scheduling procedures of both SCE and the CAISO, including but not limited to, automated forecast and outage submissions.

2. Seller's Forecasting Requirements.

Seller must meet all of the following requirements for Forecasting as specified below.

- (a) Seller shall provide to SCE Seller's Forecast of daily Scheduled Amounts for the following four (4) month period by January 1st, May 1st and September 1st of each Term Year; *provided*, Seller shall provide its initial Forecast of daily Scheduled Amounts at least ten (10) days prior to the Term Commencement Date;
- (b) Ten (10) Business Days before the beginning of each month during the Term, Seller shall provide a Forecast of each day's expected average Scheduled Amounts, by hour, for the following month; *provided*, Seller shall provide its initial Forecast under this item 2(b) at least thirty (30) days prior to the Term Commencement Date;
- (c) Forecasts shall be considered non-binding, but once an Inter-SC Trade has been entered into, any change in the Forecast shall not affect the Inter-SC Trade.
- (d) If the Web Client becomes unavailable, Seller shall provide SCE with the Forecast by e-mailing SCE in accordance with Exhibit C and this Exhibit D.
- (e) The Forecast, and any updated Forecasts provided pursuant to this Item 2, must:
 - (i) Not include any anticipated or expected electric energy losses after the applicable CAISO Approved Meter(s); and
 - (ii) Limit hour-to-hour Forecast changes to no less than one (1) MW during any period when the Web Client is unavailable. Seller shall have no restriction on hour-to-hour Forecast changes when the Web Client is available.
- (f) Commencing on or before 5:00 p.m. PPT of the Wednesday before the first week covered by the Forecast provided pursuant to Item 2(a) above and on or before 5:00 p.m. PPT every Wednesday thereafter until the end of the Delivery Term,

The contents of this document are subject to restrictions on disclosure as set forth herein.

Seller shall update the Forecast for the thirty (30) day period commencing on the Sunday following the weekly Wednesday Forecast update submission. Seller shall use the Web Client, if available, to supply this weekly update or, if the Web Client is not available, Seller shall provide SCE with the weekly Forecast update by e-mailing SCE in accordance with Exhibit C and this Exhibit D.

(g) Forecasting Electric Energy.

If Seller learns of any change in the total electrical energy output of the Units for a period covered by the most recent Forecast update resulting from any cause, including an unplanned outage, before the time that the next weekly update of the Forecast is due which results in variance in expected energy in any hour of plus (+) or minus (-) one MW (1 MW) from the energy reported in the most recent Forecast update, Seller shall provide an updated Forecast to SCE. This updated Forecast must be submitted to SCE by no later than:

- (i) 5:00 a.m. PPT on the day before any day impacted by the change, if the change is known to Seller at that time. If the Web Client is not available, Seller shall e-mail these changes to presched@sce.com and immediately follow up with a phone call to SCE's Day-Ahead Scheduling Desk in accordance with Exhibit C;
- (ii) Thirty (30) minutes before the commencement of any hour impacted by the change, if the change is known to Seller at that time; or
- (iii) If the change is not known to Seller by the timeframes indicated in (i) or (ii) above, within twenty (20) minutes after Seller became aware of the commencement of the event which caused the available capacity change, e-mail changes to realtime@sce.com and immediately telephone SCE's Real-time Operations Desk in accordance with Exhibit C.

(h) [Intentionally omitted].

3. SCE's Scheduling Responsibilities.

SCE shall be responsible for Scheduling the Product in accordance with this Agreement.

4. Seller's Outage Scheduling Requirements.

Seller shall meet all requirements and timelines for generation outage scheduling contained in the CAISO's Scheduled and Forced Outage Procedure T-113, or its successor, as posted on the CAISO's website.

*** End of EXHIBIT D ***

EXHIBIT E*Payments and Invoicing***1. COST RESPONSIBILITY, INVOICING AND PAYMENTS UPON COMMENCEMENT OF THE TERM****1.01 Cost Responsibility Upon Commencement of the Term.****(a) SCE Cost Responsibility.**

From the Term Commencement Date and for the remainder of the Term,

- (i) Subject to adjustment of the price as set forth below, SCE shall make monthly Product Payments to Seller for Product delivered to SCE calculated in the manner described in Section 1.02 below and Exhibit N;
- (ii) With respect to an Inter-SC Trade, SCE shall not be responsible for CAISO Costs or CAISO Sanctions, but shall have the right to receive any CAISO Revenues associated with the Scheduled Amounts.

(b) Seller Cost Responsibility.

Upon the Term Commencement Date and for the remainder of the Term:

- (i) Except as may have been transferred to SCE pursuant to an Inter-SC Trade, Seller shall be responsible for CAISO Costs and CAISO Sanctions and shall be responsible for RA Deficit Payments under the circumstances specified in Section 3.02.
- (ii) Seller shall make monthly Payments calculated in the manner described in Section 1.02 below and Exhibit N.
- (iii) Seller shall be responsible for Negative LMP Costs at the Inter-SC Trade Delivery Point, if applicable, as set forth in Sections 1.06(b)(i) and 3.12(g).

1.02 Product Payment Calculations After the Term Commencement Date.

For the purpose of calculating monthly payments for Product delivered to SCE as of the Commercial Operation Date in accordance with the terms of this Agreement (“Product Payments”), Scheduled Amounts and Allocated Metered Amounts will be time-differentiated according to the TOD Periods set forth in Exhibit J and the pricing will be weighted by the Product Payment Allocation Factors.

Monthly Product Payments will equal the sum of (i) the sum of the TOD Period Product payments for all TOD Periods in the month, and (ii) the Curtailed Scheduled Amounts payment, less (iii) the Monthly Excess Scheduled Amounts Damages Payment, as described below.

Each TOD Period Product Payment will be calculated pursuant to the following formula, where “n” is the TOD Period being calculated:

$$\text{TOD PERIOD}_n \text{ PRODUCT PAYMENT} = A \times B \times (C - D)$$

Where:

- A = Product Price specified in Section 1.06 in \$/kWh (i.e., \$/MWh/1000).
- B = Product Payment Allocation Factor for the TOD Period being calculated.
- C = The sum of Scheduled Amounts in all hours for the TOD Period being calculated in kWh, excluding all Curtailed Scheduled Amounts.
- D = Any electric energy produced by the Generating Facility for which SCE is not obligated to pay Seller as set forth in Section 4.01(e), but not including any Curtailed Scheduled Amounts.

$$\text{CURTAILED SCHEDULED AMOUNTS PAYMENT} = E \times F \times G$$

Where:

- E = The sum of Curtailed Scheduled Amounts in all hours for the TOD Period being calculated, in kWh.
- F = Product Price applicable to Curtailed Scheduled Amounts in \$/kWh (i.e., \$/MWh/1000), as follows:

Total number of MWh of Curtailed Scheduled Amounts in Term Year	Percentage of Product Price payable for portion of Scheduled Amounts Curtailment Period during On-Peak and Mid-Peak Hours	Percentage of Product Price payable for portion of Scheduled Amounts Curtailment Period during Off-Peak and Super Off-Peak Hours
0 to 15,000 MWh	0%	0%
15,001 to 30,000 MWh	75%	50%
30,001 to 45,000 MWh	100%	75%
More than 45,000 MWh	100%	100%

- G = Product Payment Allocation Factor for the TOD Period being calculated.

The contents of this document are subject to restrictions on disclosure as set forth herein.

MONTHLY EXCESS SCHEDULED AMOUNTS DAMAGES PAYMENT is equal to:

$$[(L - K) \times M]$$

Where:

K = The Allocated Metered Amounts for the calculation month, in MWh;

L = The sum of all Scheduled Amounts for the calculation month, in MWh;

M = The greater of (i) zero, and (ii) the Product Price less the Average Index Price; and

Average Index Price = the simple average Day Ahead LMP at NP-15 for the calculation month.

1.03 Payment During the Term.

On or before the last Business Day of each month, SCE shall:

- (a) Issue a Payment Invoice to Seller reflecting all of the payments provided for in Section 1.02 of this Exhibit E for the previous month, including documentation supporting all such calculations, as well as any SCE Penalty, Negative LMP Cost, CAISO Cost or CAISO Sanction pursuant to Exhibit N, RA Deficit Payments pursuant to Section 3.02, and any other applicable charges and offsets which affected the net amount in the Payment Invoice; and
- (b) Send to Seller, via wire transfer, SCE's payment of said net amount, plus, if such payment is late, a Simple Interest Payment calculated using the Interest Rate and the number of days that such payment is late.
- (c) If Seller disputes the correctness of the Payment Invoice or any portion thereof, Seller will state, in writing, the basis for the Dispute. Upon resolution of the Dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid.

1.04 Recomputation and Payment Adjustments.

- (a) If Seller or SCE determines that a calculation of any of the components of a Monthly Product Payment, Scheduled Amounts, Allocated Metered Amounts, Negative LMP Costs, CAISO Revenues, CAISO Costs, CAISO Sanctions, RA Deficit Payments or other amounts referred to in this Exhibit E is incorrect as a result of inaccurate meters, the correction of data by the CAISO in OMAR, a recalculation of CAISO Sanctions or other amounts owing between the Parties, or any other reason, Seller or SCE, as the case may be, shall promptly recompute the components of a Monthly Product Payment, Scheduled Amounts, Allocated Metered Amounts, Negative LMP Costs, CAISO Revenues, CAISO Costs, CAISO Sanctions, RA Deficit Payments or other amounts for the period of the inaccuracy based upon an adjustment of inaccurate meter readings, correction of

The contents of this document are subject to restrictions on disclosure as set forth herein.

data or recalculation of CAISO Revenues, CAISO Costs, CAISO Sanctions in accordance with the CAISO Tariff or other reason and any payment affected by the adjustment or correction.

(b) Adjustment of Payment.

Any amount due from SCE to Seller, or Seller to SCE, as the case may be, will be made as an adjustment to the next monthly Payment Invoice that is calculated after Seller's or SCE's recomputation using corrected measurements.

If the recomputation results in a net amount owed to SCE after applying any amounts owing to Seller as shown on the next monthly Payment Invoice, any such amount owing to SCE will at SCE's discretion be netted against amounts owed to Seller in any subsequent monthly Payment Invoice or separately invoiced to Seller, in which case Seller must pay the amount owing to SCE within twenty (20) days after receipt of that invoice.

SCE and Seller may make payment adjustments arising from a recalculation of any of the components of Monthly Product Payments, CAISO Costs, Negative LMP Costs, CAISO Revenues, CAISO Costs, CAISO Sanctions, RA Deficit Payments or other amounts referred to in this Exhibit E, or as a result of inaccurate meters, correction of data or recalculation of CAISO Revenues, CAISO Costs, CAISO Sanctions in accordance with the CAISO Tariff after the end of the Term Year, *provided*, the Parties will be deemed to have waived any such payment adjustments which are not communicated as provided in this Section 1.04 of this Exhibit E within twelve (12) months after the end of the month in which the Payment Invoice was issued containing the error. Adjustment payments for meter inaccuracy will not bear interest.

1.05 Netting Rights.

SCE reserves the right to net amounts that would otherwise be due to Seller under this Agreement in payment of any amounts:

- (a) Owing and unpaid by Seller to SCE under this Agreement; or
- (b) [Intentionally omitted].

Nothing in this Section 1.05 of this Exhibit E limits SCE's rights under applicable tariffs, other agreements or Applicable Law.

2. PAYMENT ERRORS

2.01 Notice of Error in Payment.

Except as provided in Sections 1.04 of this Exhibit E, if within sixty (60) days after receipt of SCE's Payment, Seller does not give SCE Notice of an error in the payment amount, then Seller will be deemed to have waived any error in the payment.

2.02 Reimbursement for Underpayments and Overpayments.

If Seller identifies a payment error in Seller's favor and SCE agrees that the identified error occurred, SCE shall reimburse Seller for the amount of the underpayment caused by the error and apply the additional payment to the next monthly Payment Invoice that is calculated.

If Seller identifies a payment error in SCE's favor and SCE agrees that the identified error occurred, SCE may net the amount of overpayment caused by the error against amounts otherwise owed to Seller in connection with the next monthly Payment Invoice that is calculated.

2.03 Late Payments.

Late payments to Seller resulting from SCE's errors, or overpayments to Seller by SCE, will include a Simple Interest Payment calculated using the Interest Rate and the number of days between the date due (or, in the case of overpayments by SCE, commencing five (5) Business Days from the date SCE provides Notice of such overpayments to Seller) and the date paid; *provided*, changes made because of settlement, audit or other information provided by the CAISO and not available to SCE when SCE rendered its original Payment Invoice will not bear interest.

2.04 Netting after Recomputation.

If the recomputation for an error results in a net amount still owing to SCE after applying the amounts owed to SCE against any amounts owed to Seller in the Payment Invoice, as described above, then SCE may, in its discretion, either net this net remaining amount owed to SCE against amounts owed to Seller in any subsequent monthly Payment Invoice to Seller or invoice Seller for such amount, in which case Seller must pay the amount owing to SCE within twenty (20) days after receipt of such invoice.

2.05 Resolution of Disputes.

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

*** End of EXHIBIT E ***

EXHIBIT F*Product Replacement Damage Amount*

In accordance with the provisions of Section 3.07, if in any Term Year Seller fails to meet Seller's Annual Energy Delivery Obligation over the Calculation Period, then Seller shall be subject to a Product Replacement Damage Amount penalty calculated as follows:

PRODUCT REPLACEMENT DAMAGE AMOUNT =

$$(A - B - C) \times (D - E)$$

Where:

A = Seller's Annual Energy Delivery Obligation in kWh.

B = Sum of Allocated Metered Amounts over the Term Year in kWh.

C = Sum of Lost Output over the Term Year in kWh.

D = Simple average of the Green Market Price for all Settlement Intervals in the Term Year in \$/kWh.

E = Product Price in \$/kWh (i.e., \$/MWh/1000).

Notes:

1. In the above calculation, the result of "(D - E)" will not be greater than seven cents (\$0.07) per kWh or less than five cents (\$0.05) per kWh.
2. In no event will SCE pay a Product Replacement Damage Amount.

*** End of EXHIBIT F **

EXHIBIT G

SUBSEQUENT SALE INFORMATION FOR RESOLD RA

Contract Key ID: _____

Benefitting LSE SCID: _____

Volume (in MW): _____

Amount of Inflexible Capacity included in Volume: _____

**** End of EXHIBIT G ****

EXHIBIT H

Allocated Metered Amounts

This Exhibit H sets forth examples of:

1. Monthly Certification;
2. Monthly Report of Allocated Metered Amounts; and
3. Revised Monthly Report of Allocated Metered Amounts.

ATTACHMENT 1
Seller's Monthly Certification

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

Attention: Contract Manager
Energy Contracts Management

Subject: SAP RAP ID 3117
Renewable Power Purchase and Sale Agreement dated July 29, 2014
Between SCE and Geysers Power Company, LLC

Regarding: Seller's Monthly Report of Allocated Metered Amounts
for the Month of "xxx" Calendar Year "2xxx"

Dear Contract Manager:

In compliance with Section 3.01(e) of the above Renewable Power Purchase and Sale Agreement, Geysers Power Company LLC ("Seller") submits this Notice, with accompanying attachments, as our Renewable Power Accounting report for the Month of "xxx" Calendar Year "2xxx."

Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

Seller has reviewed its plant operating data, including settlement meter data from the CAISO, information in its preschedules and monthly invoices under this agreement, CEC certifications under the RPS Legislation and other appropriate data and reports and has verified the numbers in the attached Monthly Report of Allocated Metered Amounts.

Seller certifies that, to the best of its knowledge under CAISO practices and protocols, the Renewable Power delivered to SCE under this Agreement was produced exclusively from Units at the Generating Facility, as shown in the attached Monthly Report of Allocated Metered Amounts.

Seller also certifies that the data in the Monthly Report of Allocated Metered Amounts is consistent with the reports, filings, and representations that Seller has made or will make to the CAISO or any Governmental Authority, including, but not limited to, the CPUC and CEC.

Should you have any questions regarding this letter and the accompanying data, please contact me at 707-431-6077.

Sincerely,

Director, Asset Management

cc: VP and Managing Counsel – Western Region
SVP Geothermal

ATTACHMENT 2

Monthly Report of Allocated Metered Amounts

Renewable Power Purchase and Sale Agreement				
between Southern California Edison and Geysers Power Company, LLC				
SCE RAP ID 3117				
<u>MONTHLY REPORT OF ALLOCATED METERED AMOUNTS</u>				
For the month of June 2017				
Item	Generating Facility Units	Total Metered Amounts for all Generating Facility Units (MWh)	Allocated Metered Amounts (MWh)	Percent of Total Metered Amounts
1	Calpine Geothermal Unit 3 (Sonoma)	27,952.13	357	0%
2	Calpine Geothermal Units 5&6	44,171.38		0%
3	Calpine Geothermal Units 7&8	43,769.75		0%
4	Calpine Geothermal Unit 11	49,186.05		0%
5	Calpine Geothermal Unit 12	39,395.00	23,407.00	100%
6	Calpine Geothermal Unit 13	37,790.52	1,794.00	0%
7	Calpine Geothermal Unit 14	39,272.73	37,918.00	100%
8	Calpine Geothermal Unit 16	32,622.11	32,440.00	99%
9	Calpine Geothermal Unit 17	43,190.34	33,356.00	100%
10	Calpine Geothermal Unit 18	32,782.14	32,757.00	66%
11	Calpine Geothermal Unit 20	28,072.07		0%
Totals		418,204.22	162,029.00	39%

The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT 3

Revised Monthly Report of Allocated Metered Amounts

Renewable Power Purchase and Sale Agreement				
between Southern California Edison and Geysers Power Company, LLC				
SCE RAP ID 3117				
<u>REVISED MONTHLY REPORT OF ALLOCATED METERED AMOUNTS</u>				
For the month of June 2017				
Item	Generating Facility Units	Total Metered Amounts for all Generating Facility Units (MWh)	Allocated Metered Amounts (MWh)	Percent of Total Metered Amounts
1	Calpine Geothermal Unit 3 (Sonoma)	27,952.13	357	0%
2	Calpine Geothermal Units 5&6	44,171.38		0%
3	Calpine Geothermal Units 7&8	43,769.75		0%
4	Calpine Geothermal Unit 11	49,186.05		0%
5	Calpine Geothermal Unit 12	39,395.00	23,407.00	100%
6	Calpine Geothermal Unit 13	37,790.52	1,794.00	0%
7	Calpine Geothermal Unit 14	39,272.73	37,918.00	100%
8	Calpine Geothermal Unit 16	32,622.11	32,411.00	99%
9	Calpine Geothermal Unit 17	43,190.34	33,356.00	100%
10	Calpine Geothermal Unit 18	32,782.14	32,757.00	66%
11	Calpine Geothermal Unit 20	28,072.07		0%
Totals		418,204.22	162,000.00	38%

*** End of EXHIBIT H ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT I

Non-Disclosure Agreement

The contents of this document are subject to restrictions on disclosure as set forth herein.

NON-DISCLOSURE AGREEMENT

Between

SOUTHERN CALIFORNIA EDISON COMPANY

and

GEYSERS POWER COMPANY, LLC

This Non-Disclosure Agreement (“Agreement”) dated as of 3/25/14 (“Effective Date”) is hereby entered into by and between SOUTHERN CALIFORNIA EDISON COMPANY (“SCE”), a California corporation, and *Geysers Power Company, LLC* a Delaware limited liability company (“Seller”).

SCE and Seller shall sometimes be referred to in this Agreement individually as a “Party” and jointly as the “Parties.”

RECITALS

- A. SCE initiated a request for proposals (“RFP”) to supply energy and associated Green Attributes, Capacity Attributes and Resource Adequacy Benefits from eligible renewable resources (“ERRs”) on January 6, 2014, with a goal of negotiating and executing power purchase agreements with ERRs whose proposals are selected pursuant to the RFP.
- B. Seller desires to submit a proposal in response to the RFP.
- C. The Parties desire to keep confidential any confidential or proprietary information disclosed by Seller to SCE as part of Seller’s submission of a proposal in response to the RFP (the “Proposal”), or any confidential or proprietary information that may be disclosed by either Party to the other Party as part of discussions or negotiations with Seller concerning Seller’s Proposal.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. For purposes of this Agreement, all oral or written (including electronic) communications exchanged between the Parties on or after the Effective Date (as set forth in Section 10 of this Agreement) as part of, or arising out of, the Proposal (including the fact that Seller has submitted the Proposal and, if applicable, the facts that: (i) SCE has short-listed the Proposal; and (ii) the Parties are negotiating the Proposal) shall be referred to as "Confidential Information."
2. Each Party agrees to treat Confidential Information as confidential with respect to third parties and shall not disclose Confidential Information except as specifically authorized herein or as specifically agreed to by each Party in writing.

Accordingly, each Party must take all necessary precautions and implement all requisite procedures and practices to protect Confidential Information provided by the other Party. Each Party may disclose Confidential Information only to its employees, directors, advisors, attorneys, consultants or accountants who have a strict need to know solely for the purpose of directly assisting such disclosing Party in evaluating the Proposal ("Permitted Disclosee"), or in subsequent discussions or negotiations regarding the Proposal and so long as such disclosing Party advises each Permitted Disclosee of the confidential nature of the Confidential Information and uses reasonable efforts to prevent or limit the disclosure of Confidential Information by such Permitted Disclosee. In addition, the Independent Evaluator (as described in that certain Procurement Protocol for SCE's 2013 Request for Proposals from Eligible Renewable Energy Resource Suppliers for Electric Energy) is and must be deemed to be a Permitted Disclosee.

Each Party may also disclose Confidential Information to representatives of its rating agencies who have a strict need to know solely for the purpose of directly assisting such disclosing Party in evaluating the Proposal, so long as such disclosing Party advises the rating agency of the confidential nature of the Confidential Information and uses reasonable efforts to prevent or limit the disclosure of Confidential Information by any such rating agency.

3. Each Party may disclose Confidential Information to the Independent Evaluator, and each Party and the Independent Evaluator may also disclose Confidential Information to the following entities and their staff and divisions thereof in furtherance of the RFP: (i) the California Public Utilities Commission ("CPUC"), and (ii) participants of the Procurement Review Group established pursuant to D.02-08-071 and D.03-06-071 ("PRG"); *provided*, and notwithstanding any other provision in this Agreement, Seller may only disclose to such entities Confidential Information that is information on the bid and negotiation process of the RFP. In addition to the entities specified in (i) through (ii) of the preceding sentence, SCE may also disclose Confidential Information to the following entities and their staff and divisions thereof in

2013 Request for Proposals from Eligible Renewable Energy Resource Suppliers for Electric Energy

Exhibit D

Non-Disclosure Agreement

furtherance of the RFP: (a) the California Energy Commission (“CEC”), (b) the Federal Energy Regulatory Commission (“FERC”), and (iv) the California Independent System Operator (“CAISO”).

Each Party will seek confidential treatment of any Confidential Information submitted by it to the CPUC in a formal proceeding or filing by means that is consistent with applicable law, including, if applicable, a motion for protective order; *provided*, such Party may disclose Confidential Information under the preceding Paragraph even if the CPUC does not specifically grant confidentiality or issue a protective order. SCE will seek confidential treatment of any Confidential Information submitted by it to the CEC, CAISO, or FERC by appropriate application to or agreement with such entities; *provided*, SCE may disclose Confidential Information under the preceding Paragraph even if no confidentiality or non-disclosure agreements are entered into. With respect to non-CPUC PRG participants, neither Party may disclose Confidential Information to such third parties unless and until a written confidentiality or non-disclosure agreement is fully executed between the disclosing Party and such third-party disclosee. Seller shall provide notice to SCE of any disclosure by Seller of Confidential Information pursuant to this Section 3 of this Agreement.

Each Party will seek confidential treatment of any Confidential Information provided to the CPUC outside of a formal proceeding or filing by means that is consistent with applicable law.

Neither Party nor the Independent Evaluator shall have any liability whatsoever to any party in the event of any unauthorized use or disclosure by a governmental or regulatory agency or entity, including, without limitation, the CPUC and all divisions thereof, CEC, FERC, PRG or CAISO, of any Confidential Information or other information disclosed to any of them by such disclosing Party or its representatives.

SCE may also disclose Confidential Information as may be reasonably required to participate in any auction, market or other process pertaining to the allocation of priorities or rights related to the transmission of electrical energy sold or to be sold to SCE under any agreement reached as a result of discussions or negotiations.

4. Notwithstanding anything to the contrary set forth herein, the obligations set forth in this Agreement shall not apply to and the term “Confidential Information” shall not include:
 - a. Information which is in the public domain as of the Effective Date or which later comes into the public domain from a source other than from the other Party, its Permitted Disclosee or representatives of its rating agencies;
 - b. Information which SCE or Seller can demonstrate in writing was already known to SCE or Seller prior to the Effective Date;
 - c. Information which comes to SCE or Seller from a *bona fide* third party source not under an obligation of confidentiality; or

- d. Information which is independently developed by SCE or Seller without use of or reference to Confidential Information or information containing Confidential Information.
5. The Parties agree that irreparable damage would occur if this Agreement were not performed in accordance with its terms or were otherwise breached. Accordingly, a Party may be entitled to seek an injunction or injunctions to prevent breach of this Agreement and to enforce specifically its provisions in any court of competent jurisdiction, in addition to any other remedy to which such Party may be entitled by law or equity.
6. The Parties agree not to introduce (in whole or in part) into evidence or otherwise voluntarily disclose in any administrative or judicial proceeding, any Confidential Information, except as required by law, legal compulsion, or with the written consent of the Party providing the Confidential Information or as SCE or Seller may be required to disclose to duly authorized governmental or regulatory agencies, including the CPUC or any division thereof, in order to demonstrate the reasonableness of its actions.
7. All written Confidential Information supplied by a Party, and all copies or translations thereof made by the Party or Permitted Disclosee who received the Confidential Information, shall, upon written request of the Party who initially provided the Confidential Information, be returned to that Party, destroyed, or held and maintained subject to the terms of this Agreement *provided, however*, that a Party or Permitted Disclosee shall not be obligated to return or destroy any Confidential Information contained in its archive computer back-up system and *provided further*, that a Party may retain copies of Confidential Information to the extent that retention is required by applicable law or regulation.
8. Nothing in this Agreement is intended to waive any attorney-client, work-product or other privilege applicable to any statement, document, communication, or other material of a Party or the Parties.
9. Any notice or communication given pursuant to this Agreement shall be in writing and:
 - a) Delivered personally, in which case delivery is given upon written acknowledgment of receipt;
 - b) Mailed by registered or certified mail; postage prepaid, in which case delivery is given on the earlier of the actual date of delivery, as set forth in the return receipt, or three (3) days from the date posted, or
 - c) Delivery by telecopy, in which case delivery is given upon actual receipt of the entire document.

2013 Request for Proposals from Eligible Renewable Energy Resource Suppliers for Electric Energy

Exhibit D

Non-Disclosure Agreement

If to SCE: Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Attention: Director, Renewable and Alternative Power
Telephone: (626) 302-1212
Facsimile: (626) 302-1103

If to Seller: *Geysers Power Company, LLC*
4160 Dublin Blvd., Suite 100
Dublin, CA 94568
Attn: Vice President and Assistant General Counsel
Telephone: (925) 557-2283
Facsimile: (925) 470-9608

With copy to:

Geysers Power Company, LLC
717 Texas Avenue, Suite 1000
Houston, TX 77002
Attn: Chief Legal Officer
Telephone: (925) 557-2283
Facsimile: (832) 325-1508

10. This Agreement shall be effective as of the Effective Date and shall terminate five years from such date, or earlier upon the mutual written consent of the Parties or as required by applicable law or decision of the CPUC.
11. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto.

This Agreement shall be construed as if each Party was its author and each Party hereby adopts the language of this Agreement as if it were its own.
12. Any waiver of the requirements and provisions of this Agreement shall be in writing.

The failure of either Party to enforce at any time any of the provisions of the Agreement or to require at any time performance by the other Party of any of such provisions, shall in no way be construed as a waiver of such provision or a relinquishment of the right thereafter to enforce such provision.
13. This Agreement may not be modified except by a written agreement executed by both Parties.
14. This Agreement shall be interpreted, governed and construed under the laws of the State of California (without giving effect to its conflict of laws provisions that could

apply to the law of another jurisdiction) as if executed in and to be wholly performed within the State of California.

- 15. This Agreement fully expresses the Parties' agreement concerning the subject matter hereof and supersedes any prior agreements or understandings regarding the same subject matter.
- 16. The signatories hereto represent that they have been duly authorized to enter into this Agreement on behalf of the Party for whom they sign.
- 17. If any provision hereof is unenforceable or invalid, it shall be given effect to the extent it may be enforceable or valid, and such enforceability or invalidity shall not affect the enforceability or invalidity of any other provision of this Agreement.
- 18. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.

[Remainder of page left blank intentionally.]

Geysers Power Company, LLC


**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a Delaware limited liability company

a California corporation.

By:

By:



Name: *Alexandre B. Makler* BA

Name: Tony Frontino
Title: Manager
Southern California Edison

Title: Vice President and Authorized
Signatory

Date: *March 25, 2014*

Date: *7/2/2014*

**** End of EXHIBIT I****

EXHIBIT J

Time of Delivery Periods and Product Payment Allocation Factors

<u>Time of Delivery Periods (“TOD Periods”)</u>			
<i>TOD Period</i>	<i>Summer Jun 1st – Sep 30th</i>	<i>Winter Oct 1st – May 31st</i>	<i>Applicable Days</i>
On-Peak	Noon – 6:00 p.m.	Not Applicable.	Weekdays except Holidays.
Mid-Peak	8:00 a.m. – Noon	8:00 a.m. - 9:00 p.m.	Weekdays except Holidays.
	6:00 p.m. – 11:00 p.m.		Weekdays except Holidays.
Off-Peak	11:00 p.m. – 8:00 a.m.	6:00 a.m. – 8:00 a.m.	Weekdays except Holidays.
		9:00 p.m. – Midnight	Weekdays except Holidays.
	Midnight – Midnight	6:00 a.m. – Midnight	Weekends and Holidays
Super-Off-Peak	Not Applicable.	Midnight – 6:00 a.m.	Weekdays, Weekends and Holidays

<u>Product Payment Allocation Factors</u>				
<i>Season</i>	<i>TOD Period</i>	<i>Calculation Method</i>	<i>Energy-Only Deliverability Status Product Payment Allocation Factor</i>	<i>Full Capacity Deliverability Status Product Payment Allocation Factor</i>
Summer	On-Peak	Fixed Value.	1.22	2.64
	Mid-Peak	Fixed Value.	1.11	1.27
	Off-Peak	Fixed Value.	0.94	0.82
Winter	Mid-Peak	Fixed Value.	1.05	0.96
	Off-Peak	Fixed Value.	1.01	0.87
	Super-Off-Peak	Fixed Value.	0.85	0.74

“Holiday” is defined as New Year’s Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day.

When any Holiday falls on a Sunday, the following Monday will be recognized as a Holiday. No change will be made for Holidays falling on Saturday.

*** End of EXHIBIT J ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT K*Procedure for Demonstration of Contract Capacity and
Partial or Full Return of Development Security*1. Confirmation of Contract Capacity.

- (a) Not less than thirty (30) days before the Term Commencement Date, Seller will provide SCE a Notice confirming the amount of Contract Capacity that will be available from the Units on the Term Commencement Date.
- (b) Seller shall provide Notice to SCE of the date and hour selected by Seller, which hour must have occurred within thirty (30) days following the Term Commencement Date, during which Seller claims it has demonstrated the applicable Contract Capacity (“Demonstration Hour”).
- (c) SCE may, at its sole discretion, complete a site visit within thirty (30) days after SCE’s receipt of Seller’s Notice of the Demonstration Hour to verify that the Contract Capacity confirmed by Seller will be, or is deemed to have been, available on the Term Commencement Date.

2. Full or Partial Return of Development Security.

No later than ten (10) Business Days after SCE’s site visit pursuant to Section 1 of this Exhibit K, SCE shall:

- (a) Calculate the amount of the Term Commencement Date Security refund due Seller pursuant to Sections 3.06(e) and 3.06(f), as follows:
 - (i) If the Contract Capacity as confirmed by Seller and verified by SCE as provided in Section 1 above is greater than or equal to the Contract Capacity set forth in Section 1.01(h) *then* Seller will qualify to receive a full return of the Term Commencement Date Security;
 - (ii) If the Contract Capacity confirmed by Seller as provided in Section 1 above is less than the Contract Capacity set forth in Section 1.01(h) *then* Seller will qualify to receive a return of only a portion of the Term Commencement Date Security based upon the level of the Contract Capacity confirmed by Seller;
- (b) Provide Notice to Seller of the amount of Term Commencement Date Security being returned pursuant to this Section 2;
- (c) Return any Term Commencement Date Security due Seller if such Term Commencement Date Security were posted in the form of cash; and
- (d) Return the Letter of Credit to Seller if the total amount of the posted Term Commencement Date Security is due Seller. If Seller is only entitled to a partial return of the Term Commencement Date Security, SCE shall submit a drawing certificate on the Letter of Credit for the amount of Term Commencement Date

The contents of this document are subject to restrictions on disclosure as set forth herein.

Security forfeited by Seller, after which SCE shall release the remaining balance of the Letter of Credit.

To the extent Seller has posted Term Commencement Date Security in accordance with Section 3.06 and Seller is entitled to a partial return of the Term Commencement Date Security, SCE shall return only a portion of the Term Commencement Date Security based upon the level of the Contract Capacity confirmed by Seller as provided in Section 1.

*** End of EXHIBIT K ***

EXHIBIT L*Seller's Estimate of Lost Output*

The Lost Output during each one (1) hour period of a Lost Output Event shall be calculated as follows:

Lost Output during a Lost Output Event resulting from a cause other than Force Majeure, in MW, shall be determined on the basis of the start time(s) and end time(s) for such Lost Output Event and the amount of the curtailment or reduction of deliveries ordered or instructed by the CAISO (subject to the proviso below), the Transmission Provider (or SCE, as Buyer) or resulting from an Emergency or an Event of Default where SCE is the Defaulting party.

Lost Output during a Lost Output Event resulting from a Force Majeure, in MW = $\{[(A + B) - (C + D)] / (A + B)\} \times E$

Where:

- A = Generation capacity of the Units prior to the Lost Output Event equal to the average hourly metered amounts for the Units, in MW, during the sixty (60) day period immediately prior to the Lost Output Event.
- B = Generation capacity of the Units prior to the Lost Output Event, that is not available for reasons other than the Lost Output Event during the sixty (60) day period immediately prior to the Force Majeure, in MW.
- C = Generation capacity of the Units during the Lost Output Event equal to the average hourly metered amounts for the Units, in MW.
- D = Average generation capacity from the Units during the Lost Output Event that is not available for reasons other than the Lost Output Event, in MW.
- E = Contract Capacity, in MW;

Provided, in no event shall the sum of Allocated Metered Amounts and Lost Output during any one hour period of a Lost Output Event exceed the Contract Capacity; *provided further*, in no event shall a reduction or curtailment of deliveries resulting from Seller's voluntary response to a Schedule award constitute a Lost Output Event for purposes of this Exhibit L.

*** End of EXHIBIT L ***

EXHIBIT M

Form of Letter of Credit

IRREVOCABLE NONTRANSFERABLE STANDBY

LETTER OF CREDIT

Reference Number:

Transaction Date:

BENEFICIARY:

Southern California Edison Company
2244 Walnut Grove Avenue
Risk Control GO#1, Quad 1D
Rosemead, CA 91770

Ladies and Gentlemen:

_____ (the "Bank") hereby establishes this Irrevocable Nontransferable Standby Letter of Credit ("Letter of Credit") in favor of Southern California Edison Company, a California corporation (the "Beneficiary"), for the account of _____, a _____ corporation, also known as RAP ID# ____ (the "Applicant"), for the amount of XXX AND XX/100 Dollars (\$_____) (the "Available Amount"), effective immediately and expiring at 5:00 p.m., California time, on _____ (the "Expiration Date").

This Letter of Credit shall be of no further force or effect upon the close of business on the Expiration Date or, if such day is not a Business Day (as hereinafter defined), on the next Business Day.

For the purposes hereof, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in Los Angeles, California.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by presentation in compliance on or before 5:00 p.m. California time, on or before the Expiration Date of the following:

1. The original or a photocopy of this Letter of Credit and all amendments; and
2. The Drawing Certificate issued in the form of Attachment A attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the signature of an authorized representative of the Beneficiary.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Notwithstanding the foregoing, any full or partial drawing hereunder may be requested by transmitting the requisite documents as described above to the Bank by facsimile at _____ or such other number as specified from time-to-time by the Bank.

The facsimile transmittal shall be deemed delivered when received. Drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided*, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment shall be void and of no force or effect.

Banking charges shall be the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment.

The Bank engages with the Beneficiary that Beneficiary’s drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the “ISP”). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws thereunder, shall govern all matters with respect to this Letter of Credit.

AUTHORIZED SIGNATURE for Issuer

(Name)

Title: _____

ATTACHMENT A
Drawing Certificate

TO *[ISSUING BANK NAME]*

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT

No. _____

DRAWING CERTIFICATE

Bank

Bank Address

Subject: Irrevocable Non-transferable Standby Letter of Credit

Reference Number: _____

The undersigned _____, an authorized representative of Southern California Edison Company (the "Beneficiary"), hereby certifies to *[Issuing Bank Name]* (the "Bank"), and _____ (the "Applicant"), with reference to Irrevocable Nontransferable Standby Letter of Credit No. { _____ }, dated _____, (the "Letter of Credit"), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

- 1. The Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____, for the following reason(s) [check applicable provision]:
 - [] A. An Event of Default, as defined in that certain Renewable Power Purchase and Sale Agreement between Applicant and Beneficiary, dated as of July 29, 2014 (the "Agreement"), with respect to the Applicant has occurred and is continuing.
 - [] B. An Early Termination Date (as defined in the Agreement) has occurred or been designated as a result of an Event of Default (as defined in the Agreement) with respect to the Applicant for which there exist any unsatisfied payment obligations.
 - [] C. The Letter of Credit will expire in fewer than twenty (20) Local Business Days (as defined in the Agreement) from the date hereof, and Applicant has not provided Beneficiary alternative Development Security or Performance Assurance (as defined in the Agreement) acceptable to Beneficiary.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- []D. The Bank or Applicant has heretofore provided written notice to the Beneficiary of the Bank’s or Applicant’s intent not to renew the Letter of Credit following the present Expiration Date thereof, and Applicant has failed to provide the Beneficiary with a replacement Letter of Credit or other Performance Assurance as required by the Agreement not later than twenty (20) Local Business Days before the present Expiration Date.
 - []E. The Beneficiary has not been paid any or all of the Applicant’s payment obligations now due and payable under the Agreement.
 - []F. The Beneficiary is entitled to retain the entire Term Commencement Date Security: (i) because Term Commencement Date has not occurred on or before the Term Commencement Deadline, or any extended Term Commencement Deadline as provided in the Agreement, or for any of the reasons set forth in Section 3.06(d) of the Agreement; or (ii) because the Agreement has been terminated due to an Event of Default by Applicant before the Term Commencement Deadline.
 - []G. The Beneficiary is entitled to retain a portion of the Term Commencement Date Security equal to the product of Forty-five dollars (\$45) per kilowatt times the Unincluded Capacity in kilowatts as a result of Applicant confirming that only a portion of the Contract Capacity is available to SCE as of the Term Commencement Date.
2. Based upon the foregoing, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS AND ___/100ths (U.S.\$_____), which amount does not exceed (i) the amount set forth in paragraph 1 above, and (ii) the Available Amount under the Letter of Credit as of the date hereof.
 3. Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the Beneficiary in accordance with the following instructions:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been duly executed and delivered on behalf of the Beneficiary by its authorized representative as of this ____ day of _____, _____.

Beneficiary: SOUTHERN CALIFORNIA EDISON COMPANY

By:

Name:

Title:

**** End of EXHIBIT M ****

EXHIBIT N

CAISO Costs and CAISO Sanctions

Seller is liable for CAISO Costs and CAISO Sanctions under the circumstances described in this Exhibit N.

1. Determining Applicability of CAISO Costs.

Seller shall be responsible for all CAISO Costs for all Settlement Intervals where Energy Deviations exceed the Performance Tolerance Band.

2. Performance Tolerance Band.

The “Performance Tolerance Band” will equal the quantity in any Settlement Interval, in kWh, that is the product of:

- (a) Three percent (3%) times
- (b) Contract Capacity divided by
- (c) The number of Settlement Intervals in the hour.

3. Seller’s Liability for CAISO Sanctions.

Seller will be liable to reimburse SCE for all CAISO Sanctions incurred by SCE as a result of Seller’s failure to adhere to its obligations under the CAISO Tariff or any CAISO directive, as such directive may be communicated to Seller by SCE, or as set forth in Section 4.01(e).

4. Billing and Documentation of CAISO Costs and CAISO Sanctions.

- (a) The CAISO Costs and CAISO Sanctions will be available for billing approximately one hundred twenty (120) days following the last day of a calendar month in which the event giving rise to the sanction occurs, or thirty (30) days after the CAISO final settlement data is available to SCE, whichever is sooner.
- (b) SCE shall provide to Seller the applicable back-up data used for validating CAISO Costs and CAISO Sanctions.

*** End of EXHIBIT N ***

EXHIBIT O

[Intentionally Omitted].

**** End of EXHIBIT O ****

EXHIBIT P

[Intentionally Omitted].

**** End of EXHIBIT P ****

EXHIBIT Q

Notice of SCE's Rights

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Southern California Edison

2244 Walnut Grove Avenue
Rosemead, California 91770

Attention: SCE Law Department, Manager of
Power Procurement Section

APN: _____

(Space Above for Recorder's Use Only)

NOTICE OF SCE's RIGHTS

NOTICE IS HEREBY GIVEN THAT SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation ("SCE"), and Geysers Power Company, LLC, a Delaware limited liability company ("Seller"), have entered into that Renewable Power Purchase and Sale Agreement dated as of _____ (as amended, supplemented and revised from time to time, the "Agreement"). Pursuant to the Agreement, SCE has the right to purchase all electric energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits (as such terms are defined in the Agreement) associated with or attributable to any generating facilities located or to be located on that certain real property (the "Property") more particularly described on Attachment A attached hereto and incorporated herein by the reference.

SCE's rights shall terminate as set forth in the Agreement, but not later than _____. This Notice shall terminate automatically on _____, unless earlier terminated by SCE by recording a notice of termination.

Reference is made to the Agreement for the terms and conditions of SCE's rights. In the event of a conflict between the terms of this Notice and the terms of the Agreement, the terms of the Agreement shall control.

[Signatures are on the following page]

The contents of this document are subject to restrictions on disclosure as set forth herein.

GEYSERS POWER COMPANY, LLC

**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a Delaware limited liability company.

a California corporation.

By: _____
Its: _____

By: _____
Its: _____

Date: _____

Date: _____

By: _____
Its: _____

Date: _____

ATTACHMENT A

[Legal Description of Property]

ACKNOWLEDGMENT

STATE OF CALIFORNIA)

)

COUNTY OF [_____])

On _____ 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SEAL]

*** End of EXHIBIT Q ***

EXHIBIT R

[Intentionally Omitted].

**** End of EXHIBIT R ****

EXHIBIT S

Form of Amendment to Legacy Geysers Performance Assurance Letter of Credit

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT REFERENCE NUMBER S304433M

Transaction Date: April 3, 2008

BENEFICIARY:

Southern California Edison Company
2244 Walnut Grove Avenue
Risk Control GO# 1, Quad 2A
Rosemead, CA 91770

Ladies and Gentlemen:

Union Bank , N.A. (the "Bank") hereby establishes this Irrevocable Nontransferable Standby Letter of Credit ("Letter of Credit") in favor of Southern California Edison Company, a California corporation (the "Beneficiary"), for the account of Calpine Development Holdings, Inc., on behalf of Geysers Power Company, LLC, a Delaware corporation (the "Applicant") related to two agreements known as RAP ID#3107 ("the Legacy Agreement") and RAP ID# _____ (the "New Agreement," collectively, "the Agreements"), for the amount Thirty Nine Million Five Hundred Thousand and 00/100 Dollars (\$39,500,000.00) (the "Available Amount"), effective immediately and expiring at 5:00 p.m., California time, on the Expiration Date (as hereinafter defined).

This Letter of Credit shall be of no further force or effect upon the close of business on December 6, 2013 or, if such day is not a Business Day (as hereinafter defined), on the immediately preceding Business Day, unless extended as provided in the following paragraph.

This Letter of Credit shall be deemed automatically extended without an amendment for additional one-year periods beginning on the present expiration date hereof, December 06, 2013, unless at least sixty (60) days prior to the expiry date, we have sent you written notice by courier service or overnight mail at the above address that we elect not to consider this Letter of Credit to be so extended beyond, and will expire on its then current expiry date. No presentation made under this Letter of Credit after such expiry date will be honored.

This Letter of Credit shall finally expire on December 06, 2015, if it has not previously expired in accordance with the preceding paragraph.

For the purposes hereof, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in Los Angeles, California.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by presentation in compliance on or prior to 5:00 p.m. California time, on or prior to the Expiration Date of the following:

The contents of this document are subject to restrictions on disclosure as set forth herein.

1. The original of this Letter of Credit and all amendments (or photocopy of the original for partial drawings); and
2. The Drawing Certificate issued in the form of Attachment A attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the signature of an authorized representative of the Beneficiary.

Notwithstanding the foregoing, any drawing hereunder may be requested by transmitting the requisite documents as described above to the Bank by facsimile at (323) 720-2773 or such other number as specified from time to time by the Bank.

The facsimile transmittal shall be deemed delivered when received.

Drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided that*, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment shall be void and of no force or effect.

Banking charges shall be the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment.

The Bank engages with the Beneficiary that Beneficiary's drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the "ISP"). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws there under, shall govern all matters with respect to this Letter of Credit.

Union Bank, N.A.

Name:

Title:

ATTACHMENT A

DRAWING CERTIFICATE

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT
REFERENCE NUMBER S304433M

To:
Union Bank, N.A.
Trade Service Operations
1980 Saturn Street, V01-519
Monterey Park, California 91755-7417
Attention: Standby Letter of Credit Section.

Subject: Irrevocable Non-transferable Standby Letter of Credit
Reference Number: S304433M

The undersigned _____, an authorized representative of Southern California Edison Company (the "Beneficiary"), hereby certifies to Union Bank, N.A. (the "Bank"), and Calpine Development Holdings, Inc. on behalf of Geysers Power Company, LLC a Delaware corporation (the "Applicant"), with reference to Irrevocable Nontransferable Standby Letter of Credit No. S304433M, dated April 3, 2008, (the "Letter of Credit"), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

1. The Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____, for the following reason(s):
 - [] A. An Event of Default, as defined in that certain Renewable Power Purchase and Sale Agreement between Applicant and Beneficiary, dated as of April 12, 2007 (RAP ID# 3107), or in that certain Renewable Power Purchase and Sale Agreement between Applicant and Beneficiary, dated as of July 29, 2014 (RAP ID# 3117) (collectively, the "Agreements"), with respect to the Applicant has occurred and is continuing.
 - [] B. An Early Termination Date (as defined in RAP ID# [applicable contract RAP ID]) has occurred or been designated as a result of an Event of Default (as defined in RAP ID # [applicable contract RAP ID]) with respect to the Applicant for which there exist any unsatisfied payment obligations.
 - [] C. The Letter of Credit will expire in fewer than twenty (20) Local Business Days (as defined in the applicable Agreement) from the date hereof, and Applicant has not provided Beneficiary alternative Performance Assurance (as defined in the applicable Agreement) acceptable to Beneficiary.
 - [] D. The Bank has heretofore provided written notice to the Beneficiary of the Bank's intent not to renew the Letter of Credit following the present Expiration Date thereof ("Notice of Non-renewal"), and Applicant has failed to comply with the terms and conditions of RAP ID# 3107 to provide the Beneficiary with a replacement Performance Assurances as provided in

The contents of this document are subject to restrictions on disclosure as set forth herein.

subparagraph (g) of the definition of Letter of Credit Default (as defined in RAP ID# 3107) within thirty (30) days following the date of the Notice of Non-renewal.

- [] E. The Beneficiary has not been paid any or all of the Applicant's payment obligations now due and payable under the applicable Agreement.
 - [] F. The Bank or Applicant has heretofore provided written notice to the Beneficiary of the Bank's or Applicant's intent not to renew the Letter of Credit following the present Expiration Date thereof, and Applicant has failed to comply with the terms and conditions of RAP ID# 3117 to provide the Beneficiary with a replacement letter of credit or other Performance Assurance as required by the Agreement and acceptable to SCE not later than twenty (20) Local Business Days before the present Expiration Date.
 - [] G. The Beneficiary is entitled to retain the entire Term Commencement Date Security (as defined in RAP ID# 3117: (i) because the Term Commencement Date has not occurred on or before the Term Commencement Deadline, or any extended Term Commencement Deadline as provided for in RAP ID# 3117, or for any of the reasons set forth in Section 3.06(d) of RAP ID# 3117; or (ii) because RAP ID# 3117 has been terminated due to an Event of Default by Applicant before the Term Commencement Deadline.
 - [] H. The Beneficiary is entitled to retain a portion of the Term Commencement Date Security (as defined in RAP ID# 3117) equal to the product of forty-five and no/100s dollars (\$45.00) per kilowatt times the numerical difference between the Contract Capacity and the Contract Capacity confirmed by Applicant in accordance with the Agreement in kilowatts, as a result of Applicant confirming Contract Capacity available to SCE that is less than the Contract Capacity set forth in Section 1.01(h) .
2. Based upon the foregoing, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS AND _____/100ths (U.S. \$ _____), which amount does not exceed the:
- (i) Amount set forth in paragraph 1 above, and
 - (ii) Available Amount under the Letter of Credit as of the date hereof.
3. Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the Beneficiary in accordance with the following instructions:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been duly executed and delivered on behalf of the Beneficiary by its authorized representative as of this _____ day of _____.

Beneficiary: SOUTHERN CALIFORNIA EDISON COMPANY

By:

Name:

Title:

[to be inserted]

***** End of EXHIBIT S *****

EXHIBIT T*Form of Collateral Assignment Agreement***CONSENT TO COLLATERAL ASSIGNMENT AGREEMENT**

This Consent to Collateral Assignment Agreement (this “Consent”) is entered into among (i) Southern California Edison Company, a California corporation (“SCE”), (ii) *[Name of Seller]*, a *[Legal Status of Seller]* (the “Project Company”), and (iii) *[Name of Collateral Agent]*, a *[Legal Status of Collateral Agent]*, as Collateral Agent for the secured parties under the Financing Documents referred to below (such secured parties together with their successors permitted under this Consent in such capacity, the “Secured Parties”, and, such agent, together with its successors in such capacity, the “Collateral Agent”). SCE, Project Company and Collateral Agent are hereinafter sometimes referred to individually as a “Party” and jointly as the “Parties”. Capitalized terms used but not otherwise defined in this Consent shall have the meanings ascribed to them in the Power Purchase Agreement (as defined below).

RECITALS

The Parties enter into this Consent with reference to the following facts:

- A. Project Company and SCE have entered into that certain Renewable Power Purchase and Sale Agreement, dated as of *[Date]* *[List all amendments as contemplated by Section 3.4]* (“Power Purchase Agreement”), pursuant to which Project Company will develop, construct, commission, test and operate a renewable power generating facility (the “Project”) and sell the Product to SCE, and SCE will purchase the Product *[Ensure defined in PPA]* from Project Company;
- B. As collateral for Project Company’s obligations under the Power Purchase Agreement, Project Company has agreed to provide to SCE certain collateral, which may include Development Security, Performance Assurance, Security Interests *[Ensure defined in PPA]* and other collateral described in the Power Purchase Agreement (collectively, the “PPA Collateral”) [and to grant SCE a subordinate lien on the Project (a “Junior Lien”)];
- C. Project Company has entered into that certain *[Insert description of financing arrangements with Lender]*, dated as of *[Date]*, among Project Company, the Lenders party thereto and the Collateral Agent (the “Financing Agreement”), pursuant to which, among other things, the Lenders have extended commitments to make loans to Project Company;
- D. As collateral security for Project Company’s obligations under the Financing Agreement and related agreements (collectively, the “Financing Documents”), Project Company has, among other things, assigned all of its right, title and interest in, to and under the Power Purchase Agreement and Project’s Company’s owners have pledged their ownership

The contents of this document are subject to restrictions on disclosure as set forth herein.

interest in Project Company (collectively, the “Assigned Interest”) to the Collateral Agent pursuant to the Financing Documents; and

- E. It is a requirement under the Financing Agreement and the Power Purchase Agreement that SCE and the other Parties hereto shall have executed and delivered this Consent.

AGREEMENT

In consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereto hereby agree as follows:

SECTION 1. CONSENT TO ASSIGNMENT, ETC.

1.1 Consent and Agreement.

SCE hereby acknowledges:

- (a) notice of and consents to the assignment as collateral security to Collateral Agent, for the benefit of the Secured Parties, of the Assigned Interest; and
- (b) the right (but not the obligation) of Collateral Agent in the exercise of its rights and remedies under the Financing Documents, to make all demands, give all notices, take all actions and exercise all rights of Project Company permitted under the Power Purchase Agreement (subject to SCE’s rights and defenses under the Power Purchase Agreement and the terms of this Consent) and accepts any such exercise; provided, however, that, insofar as the Collateral Agent exercises any such rights under the Power Purchase Agreement or makes any claims with respect to payments or other obligations under the Power Purchase Agreement, the terms and conditions of the Power Purchase Agreement applicable to such exercise of rights or claims shall apply to Collateral Agent to the same extent as to Project Company.

1.2 Project Company’s Acknowledgement.

Each of Project Company and Collateral Agent hereby acknowledges and agrees that SCE is authorized to act in accordance with Collateral Agent’s instructions, and that SCE shall bear no liability to Project Company or Collateral Agent in connection therewith, including any liability for failing to act in accordance with Project Company’s instructions.

1.3 Right to Cure.

If Project Company defaults in the performance of any of its obligations under the Power Purchase Agreement, or upon the occurrence or non-occurrence of any event or condition under the Power Purchase Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable SCE to terminate or suspend its performance under the Power Purchase Agreement [or foreclose on its Junior Lien] (a “Power Purchase Agreement Default”), SCE will not terminate or suspend its performance under the Power Purchase Agreement until it first gives written notice of such Power Purchase Agreement Default to Collateral Agent and affords Collateral Agent the right to cure such Power Purchase Agreement Default within the applicable cure period under the Power Purchase Agreement, which cure period shall run concurrently with that afforded Project Company under the Power Purchase Agreement. In addition, if Collateral Agent gives SCE written notice prior to the expiration of the applicable cure period under the Power Purchase Agreement of Collateral Agent’s intention to cure such Power Purchase Agreement Default (which notice shall include a reasonable description of the time during which it anticipates to cure such Power Purchase Agreement Default) and is diligently proceeding to cure such Power Purchase Agreement Default, notwithstanding the applicable cure period under the Power Purchase Agreement, Collateral Agent shall have a period of sixty (60) days (or, if such Power Purchase Agreement Default is for failure by the Project Company to pay an amount to SCE which is due and payable under the Power Purchase Agreement other than to provide PPA Collateral, thirty (30) days, or, if such Power Purchase Agreement Default is for failure by Project Company to provide PPA Collateral, [__ (__)] Business Days) from the Collateral Agent’s receipt of the notice of such Power Purchase Agreement Default from SCE to cure such Power Purchase Agreement Default; provided, however, that (a) if possession of the Project is necessary to cure any such non-monetary Power Purchase Agreement Default and Collateral Agent has commenced foreclosure proceedings within sixty (60) days after notice of the Power Purchase Agreement Default and is diligently pursuing such foreclosure proceedings, Collateral Agent will be allowed a reasonable time, not to exceed one hundred eighty (180) days after the notice of the Power Purchase Agreement Default, to complete such proceedings and cure such Power Purchase Agreement Default, and (b) if Collateral Agent is prohibited from curing any such Power Purchase Agreement Default by any process, stay or injunction issued by any Governmental Authority [*Ensure defined in PPA*] or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Project Company, then the time periods specified herein for curing a Power Purchase Agreement Default shall be extended for the period of such prohibition, so long as Collateral Agent has diligently pursued removal of such process, stay or injunction. Collateral Agent shall provide SCE with reports concerning the status of efforts to cure a Power Purchase Agreement Default upon SCE’s reasonable request.

The contents of this document are subject to restrictions on disclosure as set forth herein.

1.4 Substitute Owner.

Subject to Section 1.7, the Parties agree that if Collateral Agent notifies (such notice, a “Financing Document Default Notice”) SCE that an event of default has occurred and is continuing under the Financing Documents (a “Financing Document Event of Default”) then, upon a judicial foreclosure sale, non-judicial foreclosure sale, deed in lieu of foreclosure or other transfer following a Financing Document Event of Default, Collateral Agent (or its designee) shall be substituted for Project Company (the “Substitute Owner”) under the Power Purchase Agreement, and, subject to Sections 1.7(b) and 1.7(c) below, SCE and Substitute Owner will recognize each other as counterparties under the Power Purchase Agreement and will continue to perform their respective obligations (including those obligations accruing to SCE and the Project Company prior to the existence of the Substitute Owner) under the Power Purchase Agreement in favor of each other in accordance with the terms thereof; provided, however, that before SCE is required to recognize the Substitute Owner, the Substitute Owner must have demonstrated to SCE’s reasonable satisfaction that the Substitute Owner has financial qualifications and operating experience [TBD] (a “Permitted Transferee”). For purposes of the foregoing, SCE shall be entitled to assume that any such purported exercise of rights by Collateral Agent that results in substitution of a Substitute Owner under the Power Purchase Agreement is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that the Collateral Agent and its designee (if applicable) provide reasonable evidence demonstrating the same.

1.5 Replacement Agreements.

Subject to Section 1.7, if the Power Purchase Agreement is terminated, rejected or otherwise invalidated as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting Project Company, its owner(s) or guarantor(s), and if Collateral Agent or its designee directly or indirectly takes possession of, or title to, the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) (“Replacement Owner”), SCE shall, and Collateral Agent shall cause Replacement Owner to, enter into a new agreement with one another for the balance of the obligations under the Power Purchase Agreement remaining to be performed having terms substantially the same as the terms of the Power Purchase Agreement with respect to the remaining Term (“Replacement Power Purchase Agreement”); *provided*, that before SCE is required to enter into a Replacement Power Purchase Agreement, the Replacement Owner must have demonstrated to SCE’s reasonable satisfaction that the Replacement Owner satisfies the requirements of a Permitted Transferee. For purposes of the foregoing, SCE is entitled to assume that any such purported exercise of rights by Collateral Agent that results in a Replacement Owner is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that the Collateral Agent and its designee (if applicable) provide reasonable evidence

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demonstrating the same. Notwithstanding the execution and delivery of a Replacement Power Purchase Agreement, to the extent SCE is, or was otherwise prior to its termination as described in this Section 1.5, entitled under the Power Purchase Agreement, SCE may suspend performance of its obligations under such Replacement Power Purchase Agreement, unless and until all Power Purchase Agreement Defaults of Project Company under the Power Purchase Agreement or Replacement Power Purchase Agreement have been cured.

1.6 Transfer.

Subject to Section 1.7, a Substitute Owner or a Replacement Owner may assign all of its interest in the Project and the Power Purchase Agreement and a Replacement Power Purchase Agreement to a natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity (a “Person”) to which the Project is transferred; provided, however, that the proposed transferee shall have demonstrated to SCE’s reasonable satisfaction that such proposed transferee satisfies the requirements of a Permitted Transferee.

1.7 Assumption of Obligations.

(a) Transferee.

Any transferee under Section 1.6 shall expressly assume in a writing reasonably satisfactory to SCE all of the obligations of Project Company, Substitute Owner or Replacement Owner under the Power Purchase Agreement or Replacement Power Purchase Agreement, as applicable, including posting and collateral assignment of the PPA Collateral. Upon such assignment and the cure of any outstanding Power Purchase Agreement Default, and payment of all other amounts due and payable to SCE in respect of the Power Purchase Agreement or such Replacement Power Purchase Agreement, the transferor shall be released from any further liability under the Power Purchase Agreement or Replacement Power Purchase Agreement, as applicable.

(b) Substitute Owner.

Subject to Section 1.7(c), any Substitute Owner pursuant to Section 1.4 shall be required to perform Project Company’s obligations under the Power Purchase Agreement, including posting and collateral assignment of the PPA Collateral; provided, however, that the obligations of such Substitute Owner shall be no more than those of Project Company under the Power Purchase Agreement.

(c) No Liability.

SCE acknowledges and agrees that neither Collateral Agent nor any Secured Party shall have any liability or obligation under the Power Purchase Agreement as a result of this Consent (except to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner) nor shall Collateral Agent or any other Secured Party be obligated or required to (i) perform any of Project Company's obligations under the Power Purchase Agreement, except as provided in Sections 1.7(a) and 1.7(b) and to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner, or (ii) take any action to collect or enforce any claim for payment assigned under the Financing Documents. If Collateral Agent becomes a Substitute Owner pursuant to Section 1.4 or enters into a Replacement Power Purchase Agreement, Collateral Agent shall not have any personal liability to SCE under the Power Purchase Agreement or Replacement Power Purchase Agreement and the sole recourse of SCE in seeking enforcement of such obligations against Collateral Agent shall be to the aggregate interest of the Secured Parties in the Project; provided, however, that such limited recourse shall not limit SCE's right to seek equitable or injunctive relief against Collateral Agent, or SCE's rights with respect to any offset rights expressly allowed under the Power Purchase Agreement, a Replacement Power Purchase Agreement or the PPA Collateral.

1.8 Delivery of Notices.

SCE shall deliver to Collateral Agent, concurrently with the delivery thereof to Project Company, a copy of each notice, request or demand given by SCE to Project Company pursuant to the Power Purchase Agreement relating to (a) a Power Purchase Agreement Default by Project Company under the Power Purchase Agreement, (b) any claim regarding Force Majeure by SCE under the Power Purchase Agreement, (c) any notice of dispute under the Power Purchase Agreement, (d) any notice of intent to terminate or any termination notice, and (e) any matter that would require the consent of Collateral Agent pursuant to Section 1.11 or any other provision of this Consent. Collateral Agent acknowledges that delivery of such notice, request and demand shall satisfy SCE's obligation to give Collateral Agent a notice of Power Purchase Agreement Default under Section 1.3. Collateral Agent shall deliver to SCE, concurrently with delivery thereof to Project Company, a copy of each notice, request or demand given by Collateral Agent to Project Company pursuant to the Financing Documents relating to a default by Project Company under the Financing Documents.

1.9 Confirmations.

SCE will, as and when reasonably requested by Collateral Agent from time to time, confirm in writing matters relating to the Power Purchase Agreement (including the

performance of same by Project Company); provided, however, that such confirmation may be limited to matters of which SCE is aware as of the time the confirmation is given and such confirmations shall be without prejudice to any rights of SCE under the Power Purchase Agreement as between SCE and Project Company.

1.10 Exclusivity of Dealings.

Except as provided in Sections 1.3, 1.4, 1.8, 1.9 and 2.1, unless and until SCE receives a Financing Document Default Notice, SCE shall deal exclusively with Project Company in connection with the performance of SCE's obligations under the Power Purchase Agreement. From and after such time as SCE receives a Financing Document Default Notice and until a Substitute Owner is substituted for Project Company pursuant to Section 1.4, a Replacement Power Purchase Agreement is entered into or the Power Purchase Agreement is transferred to a Person to whom the Project is transferred pursuant to Section 1.6, SCE shall, until Collateral Agent confirms to SCE in writing that all obligations under the Financing Documents are no longer outstanding, deal exclusively with Collateral Agent in connection with the performance of SCE's obligations under the Power Purchase Agreement, and SCE may irrevocably rely on instructions provided by Collateral Agent in accordance therewith to the exclusion of those provided by any other Person.

1.11 No Amendments.

To the extent permitted by applicable law, SCE agrees that it will not, without the prior written consent of Collateral Agent (not to be unreasonably withheld, delayed or conditioned) (a) enter into any material supplement, restatement, novation, extension, amendment or modification of the Power Purchase Agreement (b) terminate or suspend its performance under the Power Purchase Agreement (except in accordance with Section 1.3) or (c) consent to or accept any termination or cancellation of the Power Purchase Agreement by Project Company.

SECTION 2. PAYMENTS UNDER THE POWER PURCHASE AGREEMENT

2.1 Payments.

Unless and until SCE receives written notice to the contrary from Collateral Agent, SCE will make all payments to be made by it to Project Company under or by reason of the Power Purchase Agreement directly to Project Company. SCE, Project Company, and Collateral Agent acknowledge that SCE will be deemed to be in compliance with the payment terms of the Power Purchase Agreement to the extent that SCE makes payments in accordance with Collateral Agent's instructions.

2.2 No Offset, Etc.

All payments required to be made by SCE under the Power Purchase Agreement shall be made without any offset, recoupment, abatement, withholding, reduction or defense whatsoever, other than that expressly allowed by the terms of the Power Purchase Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF SCE

SCE makes the following representations and warranties as of the date hereof in favor of Collateral Agent:

3.1 Organization.

SCE is a corporation duly organized and validly existing under the laws of the state of its incorporation, and is duly qualified, authorized to do business and in good standing in every jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its financial condition, its ability to own its properties or its ability to transact its business. SCE has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the Power Purchase Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

3.2 Authorization.

The execution, delivery and performance by SCE of this Consent and the Power Purchase Agreement have been duly authorized by all necessary corporate or other action on the part of SCE and do not require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of SCE which, if not obtained, will prevent SCE from performing its obligations hereunder or under the Power Purchase Agreement except approvals or consents which have previously been obtained and which are in full force and effect.

3.3 Execution and Delivery; Binding Agreements.

Each of this Consent and the Power Purchase Agreement is in full force and effect, have been duly executed and delivered on behalf of SCE by the appropriate officers of SCE, and constitute the legal, valid and binding obligation of SCE, enforceable against SCE in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

3.4 No Default or Amendment.

Except as set forth in Schedule A attached hereto: (a) Neither SCE nor, to SCE's actual knowledge, Project Company, is in default of any of its obligations under the Power Purchase Agreement; (b) SCE and, to SCE's actual knowledge, Project Company, has complied with all conditions precedent to the effectiveness of its obligations under the Power Purchase Agreement; (c) to SCE's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SCE or Project Company to terminate or suspend its obligations under the Power Purchase Agreement; and (d) the Power Purchase Agreement has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

3.5 No Previous Assignments.

SCE has no notice of, and has not consented to, any previous assignment by Project Company of all or any part of its rights under the Power Purchase Agreement, except as previously disclosed in writing and consented to by SCE.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF PROJECT COMPANY

Project Company makes the following representations and warranties as of the date hereof in favor of the Collateral Agent and SCE:

4.1 Organization.

Project Company is a *[Legal Status of Seller]* duly organized and validly existing under the laws of the state of its organization, and is duly qualified, authorized to do business and in good standing in every jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its financial condition, its ability to own its properties or its ability to transact its business. Project Company has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the Power Purchase Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

4.2 Authorization.

The execution, delivery and performance of this Consent by Project Company, and Project Company's assignment of its right, title and interest in, to and under the Power Purchase Agreement to the Collateral Agent pursuant to the Financing Documents, have been duly authorized by all necessary corporate or other action on the part of Project Company.

The contents of this document are subject to restrictions on disclosure as set forth herein.

4.3 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Project Company by the appropriate officers of Project Company, and constitutes the legal, valid and binding obligation of Project Company, enforceable against Project Company in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

4.4 No Default or Amendment.

Except as set forth in Schedule B attached hereto: (a) neither Project Company nor, to Project Company's actual knowledge, SCE, is in default of any of its obligations thereunder; (b) Project Company and, to Project Company's actual knowledge, SCE, has complied with all conditions precedent to the effectiveness of its obligations under the Power Purchase Agreement; (c) to Project Company's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SCE or Project Company to terminate or suspend its obligations under the Power Purchase Agreement; and (d) the Power Purchase Agreement has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

4.5 No Previous Assignments.

Project Company has not previously assigned all or any part of its rights under the Power Purchase Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF COLLATERAL AGENT

Collateral Agent makes the following representations and warranties as of the date hereof in favor of SCE and Project Company:

5.1 Authorization.

The execution, delivery and performance of this Consent by Collateral Agent have been duly authorized by all necessary corporate or other action on the part of Collateral Agent and Secured Parties.

5.2 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Collateral Agent by the appropriate officers of Collateral Agent, and constitutes the legal, valid and binding obligation of Collateral Agent as Collateral Agent for the Secured

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Parties, enforceable against Collateral Agent (and the Secured Parties to the extent applicable) in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

SECTION 6. MISCELLANEOUS

6.1 Notices.

All notices and other communications hereunder shall be in writing, shall be deemed given upon receipt thereof by the Party or Parties to whom such notice is addressed, shall refer on their face to the Power Purchase Agreement (although failure to so refer shall not render any such notice or communication ineffective), shall be sent by first class mail, by personal delivery or by a nationally recognized courier service, and shall be directed (a) if to SCE or Project Company, in accordance with *[Notice Section of the Power Purchase Agreement]* of the Power Purchase Agreement, (b) if to Collateral Agent, to *[Collateral Agent Name]*, *[Collateral Agent Address]*, Attn: *[Collateral Agent Contact Information]*, Telephone: *[_____]*, Fax: *[_____]*, and (c) to such other address or addressee as any such Party may designate by notice given pursuant hereto.

6.2 Governing Law; Submission to Jurisdiction.

- (a) THIS CONSENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS CONSENT AND ALL MATTERS ARISING OUT OF THIS CONSENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CONFLICTS OF LAWS PROVISIONS THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. *[This Section will be modified, if necessary, to match the Governing Law Section of the Power Purchase Agreement.]*
- (b) All disputes, claims or controversies arising out of, relating to, concerning or pertaining to the terms of this Consent shall be governed by the dispute resolution provisions of the Power Purchase Agreement. Subject to the foregoing, any legal action or proceeding with respect to this Consent and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of California or of the United States of America for the Central District of California, and, by execution and delivery of this Consent, each Party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Each Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the

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mailing of copies thereof by registered or certified mail, postage prepaid, to its notice address provided pursuant to Section 6.1 hereof. Each Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Consent brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of any Party to serve process in any other manner permitted by law.

6.3 Headings Descriptive.

The headings of the several sections and subsections of this Consent are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Consent.

6.4 Severability.

In case any provision in or obligation under this Consent shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

6.5 Amendment, Waiver.

Neither this Consent nor any of the terms hereof may (a) be terminated, amended, supplemented or modified, except by an instrument in writing signed by SCE, Project Company and Collateral Agent or (b) waived, except by an instrument in writing signed by the waiving Party.

6.6 Termination.

Each Party's obligations hereunder are absolute and unconditional, and no Party has any right, and shall have no right, to terminate this Consent or to be released, relieved or discharged from any obligation or liability hereunder until SCE has been notified by Collateral Agent that all of the obligations under the Financing Documents shall have been satisfied in full (other than contingent indemnification obligations) or, with respect to the Power Purchase Agreement or any Replacement Power Purchase Agreement, its obligations under such Power Purchase Agreement or Replacement Power Purchase Agreement have been fully performed.

6.7 Successors and Assigns.

This Consent shall be binding upon each Party and its successors and assigns permitted under and in accordance with this Consent, and shall inure to the benefit of the other Parties and their respective successors and assignee permitted under and in accordance with this Consent. Each reference to a Person herein shall include such Person's successors and assigns permitted under and in accordance with this Consent.

6.8 Further Assurances.

SCE hereby agrees to execute and deliver all such instruments and take all such action as may be necessary to effectuate fully the purposes of this Consent.

6.9 Waiver of Trial by Jury.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONSENT OR ANY MATTER ARISING HEREUNDER. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.10 Entire Agreement.

This Consent and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Consent and any such agreement, document or instrument, the terms, conditions and provisions of this Consent shall prevail.

6.11 Effective Date.

This Consent shall be deemed effective as of the date upon which the last Party executes this Consent.

6.12 Counterparts; Electronic Signatures.

This Consent may be executed in one or more counterparts, each of which will be deemed to be an original of this Consent and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Consent and of signature pages by facsimile transmission, Portable Document Format

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(i.e., PDF), or by other electronic means shall constitute effective execution and delivery of this Consent as to the Parties and may be used in lieu of the original Consent for all purposes.

[Remainder of Page Left Intentionally Blank.]

Southern California Edison

Confidential Information

RAP ID# 3117, GEYSERS POWER COMPANY, LLC

In WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date first written:

GEYSERS POWER COMPANY, LLC,

**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a Delaware limited liability company.

a California corporation.

By:

By:

 _____

John B. (Thad) Hill

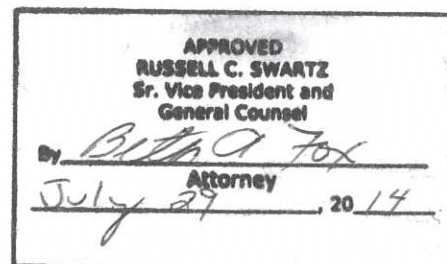
Stuart R. Hemphill

President

Senior Vice President of Power Supply

Date: _____

Date: 7/29/14



The contents of this document are subject to restrictions on disclosure as set forth herein.

SCHEDULE A

[Describe any disclosures relevant to representations and warranties made in Section 3.4]

[to be inserted]

SCHEDULE B

[Describe any disclosures relevant to representations and warranties made in Section 4.4]

[to be inserted]

***** End of EXHIBIT T *****