

**SOLAR PHOTOVOLTAIC PROGRAM  
POWER PURCHASE AND SALE AGREEMENT**  
*between*  
**SOUTHERN CALIFORNIA EDISON COMPANY**  
*and*  
**KONA SOLAR LLC**

This Solar Photovoltaic Program Power Purchase and Sale Agreement (this "Agreement") by and between Southern California Edison Company, a California corporation ("SCE"), and Kona Solar LLC, a Delaware limited liability company ("Producer"), is made, entered into and effective as of February 3, 2014 (the "Effective Date"). Producer and SCE are sometimes referred to in this Agreement jointly as the "Parties" and individually as a "Party." Unless the context otherwise specifies or requires, initially capitalized terms used in this Agreement have the meanings set forth in Appendix A.

1. RECITALS.

- 1.1. Producer is willing to construct, own (or in the absence of ownership, control) and Operate the Generating Facility, and to sell the Product to SCE; and
- 1.2. SCE is willing to purchase the Product from Producer in accordance with the terms and conditions set forth in this Agreement.

The Parties, intending to be legally bound, agree as follows:

2. GENERATING FACILITY AND SITE; DELIVERY POINT; PRODUCT PRICE; SCHEDULING COORDINATOR.

- 2.1. The Generating Facility and the Site are described in Appendix B.
- 2.2. The name and address used by SCE to locate the Service Account(s) and Premises used to interconnect the Generating Facility to SCE's electric system are as follows: Terra Francesco 1, 1801 South Carlos Avenue, Ontario, California, 91761.
- 2.3. The Gross Power Rating of the Generating Facility equals 1,944.000 kW DC.
- 2.4. The Net Power Rating of the Generating Facility equals 1,490 kW AC.
- 2.5. The annual energy production of the Generating Facility, net of Station Use, as measured by the CAISO-Approved Meter or Check Meter, as applicable, is expected to be 2,993,250 kWh.
- 2.6. The Delivery Point is 220 kV bus of SCE's Chino Substation. Producer shall provide and convey to SCE the entire Product from the Generating Facility at the Delivery Point. SCE shall purchase and receive the Product, subject to the terms and conditions of this Agreement, from the Delivery Point.
- 2.7. The price for the Product delivered by Producer to SCE in accordance with this Agreement (the "Product Price") equals \$115.90 per MWh, subject to 3% escalation per Term Year.
- 2.8. SCE is the Scheduling Coordinator under this Agreement. SCE shall take all steps necessary to be authorized as the Scheduling Coordinator throughout the Term. Producer shall cooperate with SCE in good faith to assure that SCE is authorized as the Scheduling Coordinator (i) prior to the date the Generating Facility first produces the Product and no later than any deadline established by the CAISO in conjunction with Scheduling Coordinator registration, and (ii) throughout the Term.

### 3. TERM; PROGRESS REPORTING.

- 3.1. The term of this Agreement (the “Term”) commences on October 21, 2014 (the “Term Start Date”) and ends at midnight Los Angeles time on the day following the completion of twenty (20) Term Years from the Term Start Date (the “Term End Date”).
- 3.2. Producer may change the Term Start Date set forth in Section 3.1 by providing Notice to SCE at least thirty (30) days before such Term Start Date; *provided, however*, that the Term Start Date must occur within eighteen (18) months of CPUC Approval, subject to any extension of the Term Start Date as a result of Force Majeure as to which Producer is the Claiming Party (subject to Section 10.4).
  - 3.2.1. Subject to any extensions made pursuant to this Section 3.2, the Term Start Date must be no later than eighteen (18) months from the date of CPUC Approval.
  - 3.2.2. Subject to 3.2.4, if (i) all of the interconnection facilities, transmission upgrades and new transmission facilities, if any, described in Producer’s interconnection agreement and required to interconnect the Generating Facility to the CAISO Controlled Grid have not been completed and placed into operation by the CAISO or the Transmission Provider on the estimated completion date set forth in Producer’s interconnection agreement, and (ii) the estimated completion date set forth in Producer’s interconnection agreement is within eighteen (18) months from the date of CPUC Approval, then, upon SCE’s receipt of Notice from Producer, which Notice must be provided at least sixty (60) days before the date that is eighteen (18) months from the date of CPUC Approval, the Term Start Date shall be extended six (6) months from the date that is eighteen (18) months from the date of CPUC Approval; *provided, however*, such extension shall not be given if the failure to meet the estimated completion date set forth in Producer’s interconnection agreement was as a result of Producer’s failure to complete its obligations, take all actions and meet all of its deadlines under Producer’s interconnection agreement needed to ensure timely completion and operation of such interconnection facilities, transmission upgrades and new transmission facilities.
  - 3.2.3. Subject to 3.2.4, if Producer has not obtained Permit Approval on or before that date that is ninety (90) days before the date that is eighteen (18) months from the date of CPUC Approval, then, upon SCE’s receipt of Notice from Producer, which Notice must be provided at least sixty (60) days before the date that is eighteen (18) months from the date of CPUC Approval, the Term Start Date shall be extended six (6) months from the date that is eighteen (18) months from the date of CPUC Approval; *provided, however*, such extension shall not be given if the failure to obtain Permit Approval was as a result of Producer’s failure to take all commercially reasonable actions to apply for and meet all of its requirements and deadlines to obtain such Permit Approval.
  - 3.2.4. Upon request from SCE, Producer shall provide documentation demonstrating to SCE’s reasonable satisfaction that the delays described in Section 3.2.2 or 3.2.3 (as applicable), did not result from Producer’s action or failure to take action as described in Section 3.2.2 or 3.2.3 (as applicable).
  - 3.2.5. Notwithstanding anything in this Agreement to the contrary, the Term Start Date shall in no event be later than twenty-four (24) months from the date of CPUC Approval.
- 3.3. In addition to the requirements set forth in Section 3.2, on the first Business Day of each calendar month after the Effective Date and before the Term Start Date, Producer shall provide a Notice to SCE describing Producer’s progress relative to the development, construction, and startup of the Generating Facility, as well as a Notice of any anticipated change to the Term Start Date.
- 3.4. No later than twenty (20) days after each semi-annual period ending on June 30<sup>th</sup> or December 31<sup>st</sup>, Producer shall provide a report listing all WMDVBES that supplied goods or services to Producer 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.

4. COLLATERAL REQUIREMENT.

- 4.1. On or before the thirtieth (30<sup>th</sup>) day following the Effective Date, Producer shall post and thereafter maintain a collateral requirement (the “Collateral Requirement”) equal to twenty dollars (\$20) for each kilowatt of the Gross Power Rating. The Collateral Requirement will be held by SCE and must be in the form of either a cash deposit or the Letter of Credit. If Producer establishes the Collateral Requirement in the form of a cash deposit, SCE shall make monthly Simple Interest Payments to Producer in accordance with the terms of this Agreement.
- 4.2. The Collateral Requirement shall be posted to SCE and maintained at all times from the thirtieth (30<sup>th</sup>) day following the Effective Date through the Term End Date and thereafter until such time as Producer has satisfied all monetary obligations which survive any termination of this Agreement, not to exceed one year following the end of the Term.
- 4.3. If, on the Term Start Date, Producer:
  - 4.3.1. Has not installed any of the equipment or devices necessary for any Generating Facility to satisfy any of the Gross Power Rating, Producer shall forfeit, and SCE shall have the right to retain, the entire Collateral Requirement and terminate this Agreement; or
  - 4.3.2. Has installed only a portion of the equipment or devices necessary for a Generating Facility to satisfy the Gross Power Rating of such Generating Facility prior to any adjustment to the Gross Power Rating pursuant to this Section 4.3.2, Producer shall forfeit, and SCE shall have the right to retain, a portion of the Collateral Requirement equal to the product of twenty dollars (\$20) per kW DC and the Gross Power Rating prior to any adjustment to the Gross Power Rating pursuant to this Section 4.3.2 less the product of twenty dollars (\$20) per kW DC and the portion of the Gross Power Rating that is available to deliver the Product to SCE at the Delivery Point as of the Term Start Date. In addition, to the extent Producer has installed only a portion of the equipment or devices necessary for a Generating Facility to satisfy the Gross Power Rating of such Generating Facility, the Gross Power Rating set forth in Section 2.3 and the Net Power Rating Set forth in Section 2.4 shall each be adjusted downward to reflect the actual portion of equipment installed at the Generating Facility as of the Term Start Date so long as each of the Gross Power Rating and Net Power Rating are greater than zero (0).

This Section 4.3 is subject to Producer’s right to extend the Term Start Date as a result of a Force Majeure as to which Producer is the Claiming Party (subject to Section 10.4).

5. CPUC FILING AND APPROVAL OF THIS AGREEMENT. On or before the sixtieth (60<sup>th</sup>) day following 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. Producer 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 that fails to approve this Agreement or that contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

6. TERMINATION; REMEDIES.

- 6.1. SCE may terminate this Agreement on Notice, which termination becomes effective on the date specified by SCE in such Notice, if:
  - 6.1.1. Producer fails to take all corrective actions specified in any SCE Notice, within the time frame set forth in such Notice, that any Generating Facility is out of compliance with any term of this Agreement; *provided, however,* if such corrective action falls under a specific termination right under Section 6.1 or 6.2, then the time frame, if any, set forth for such right shall apply;

- 6.1.2. The Term does not commence within eighteen (18) months of CPUC Approval, subject to any extension of the Term Start Date as a result of Force Majeure as to which Producer is the Claiming Party (subject to Sections 3.2 and 10.4);
  - 6.1.3. Producer or the owner of a Site applies for or participates in the California Solar Initiative or any net energy metering tariff with respect to any Generating Facility at such Site, as set forth in Section 7.12.6 and Section 7.16, respectively;
  - 6.1.4. Producer has not installed any of the equipment or devices necessary for any Generating Facility to satisfy the Gross Power Rating of such Generating Facility, as set forth in Section 4.3.1;
  - 6.1.5. Producer fails to post and maintain the Collateral Requirement pursuant to Section 4, for fifteen (15) days after the same shall have become due and Producer fails to cure such failure to post or maintain within fifteen (15) days after receipt of written demand thereof from SCE;
  - 6.1.6. Producer abandons any Generating Facility; or
  - 6.1.7. Electric output from any Generating Facility ceases for twelve (12) consecutive months.
- 6.2. Either Party may terminate this Agreement:
- 6.2.1. If any representation or warranty in this Agreement made by the other Party 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, if such misrepresentation or breach of warranty is not remedied within ten (10) Business Days after Notice thereof from the non-breaching Party to the breaching Party;
  - 6.2.2. Except for an obligation to make payment when due, if there is a failure of the other Party to perform any material covenant or obligation set forth in this Agreement (except to the extent such failure provides a separate termination right for the non-breaching Party or to the extent excused by Force Majeure), if such failure is not remedied within thirty (30) days after Notice thereof from the non-breaching Party to the breaching Party;
  - 6.2.3. If the other Party fails to make any payment due and owing under this Agreement, if such failure is not cured within five (5) Business Days after Notice thereof from the non-breaching Party to the breaching Party;
  - 6.2.4. If the other Party becomes Bankrupt;
  - 6.2.5. In accordance with Section 10.4; or
  - 6.2.6. If CPUC Approval has not been obtained or waived by SCE 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; provided, notwithstanding Section 6.4, neither Party shall be liable to the Party for any damages resulting from such termination.
- 6.3. This Agreement automatically terminates on the Term End Date.
- 6.4. If a Party terminates this Agreement in accordance with Section 6, such Party will have the right to immediately suspend performance under this Agreement and pursue all remedies available at law or in equity against the other Party (including seeking monetary damages). In addition to the remedies set forth in the preceding sentence, if SCE terminates this Agreement before the Term Start Date pursuant to Section 6.1 or 6.2 (except under Sections 6.1.7, 6.2.5, or 6.2.6), SCE shall have the right to retain the entire Collateral Requirement.

6.5. Upon or any time after a termination of this Agreement caused by Producer or an occasion provided for in this Agreement where SCE is authorized to retain all or a portion of the Collateral Requirement, SCE may do any one or more of the following: (i) exercise any of its rights and remedies with respect to the Collateral Requirement, including any such rights and remedies under law then in effect; (ii) draw on any outstanding Letter of Credit issued for its benefit or retain any cash deposit; and (iii) liquidate the Collateral Requirement then held by or for the benefit of SCE free from any claim or right of any nature whatsoever of Producer, including any equity or right of purchase or redemption by Producer. SCE shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Producer's obligations under this Agreement (Producer 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.

## 7. PRODUCER'S OBLIGATIONS.

7.1. Before the Term Start Date, Producer must demonstrate to SCE that:

7.1.1. Producer has satisfied all of the requirements for Producer to Operate the Generating Facility in accordance with the terms of this Agreement, Applicable Law, the SCE Tariffs and the CAISO Tariff, and any other applicable contractual, tariff, legal and regulatory requirements.

7.2. Throughout the Term, Producer shall provide and convey the Product to SCE in accordance with the terms of this Agreement, and SCE shall have the exclusive right to the Product. Producer shall, at its own cost, take all reasonable actions and execute all documents or instruments that are reasonable and necessary to effectuate the use of the Green Attributes, Resource Adequacy Benefits and Capacity Attributes for SCE's benefit throughout the Term.

7.3. Producer hereby provides and conveys all Green Attributes associated with all electricity generation from the Generating Facility to SCE as part of the Product being delivered. Producer represents and warrants that Producer holds the rights to all Green Attributes from the Generating Facility, and Producer agrees to convey and hereby conveys all such Green Attributes to SCE as included in the delivery of the Product from the Generating Facility.

7.4. Throughout the Term, Producer shall grant, pledge, assign and otherwise commit to SCE the generating capacity of the Generating Facility in order for SCE to use in meeting its resource adequacy obligations under any Resource Adequacy Rulings.

7.5. As of the Effective Date and until the Term End Date, Producer may not provide or convey any of the Product to any individual or entity other than SCE.

7.6. Producer shall have Site Control as of the earlier of (i) the Term Start Date or (ii) any period before the Term Start Date to the extent necessary for Producer to perform its obligations under this Agreement and, in each case, Producer shall maintain Site Control throughout the Term. Producer shall promptly provide SCE with Notice if there is any change in the status of Producer's Site Control.

7.7. Producer shall, at its own cost, obtain and maintain all interconnection rights and interconnection agreements, and any related Governmental Authority approvals required to enable interconnection with SCE's electric system to the Delivery Point.

7.8. Producer shall, at its own cost, obtain and maintain all Permits and agreements necessary to Operate the Generating Facility and to deliver the Product from the Generating Facility to the Delivery Point.

7.9. Producer shall Operate the Generating Facility in compliance with the SCE Tariffs and the CAISO Tariff, and all Applicable Laws. Producer shall secure and maintain in full force all of the CAISO agreements, certifications and approvals required in order for the Generating Facility to comply with the CAISO Tariff.

7.10. Producer shall comply with all rules and regulations regarding PIRP/EIRP if SCE elects to place any Generating Facility in PIRP/EIRP. Producer shall install the Telemetry System that is designed to

function in accordance with the CAISO's PIRP/EIRP protocols and SCE's communication system. In no event shall the Telemetry Installation Costs exceed twenty thousand dollars (\$20,000) (the "Telemetry Cost Cap"); provided, however, that if the Telemetry Installation Costs exceed the Telemetry Cost Cap then SCE shall have the right, but no obligation, in its sole discretion, to agree to pay for such costs in excess of the Telemetry Cost Cap. To the extent requested by SCE, Producer shall provide evidence of the Telemetry Installation Costs satisfactory to SCE.

- 7.11. Producer shall, at its own cost, install, maintain and test the CAISO-Approved Meter pursuant to the CAISO Tariff, SCE's electric service requirements and Prudent Electrical Practices. SCE may, at its sole cost, furnish and install one Check Meter at the interconnection associated with the Generating Facility at a location provided by Producer that is compliant with SCE's electric service requirements. The Check Meter must be interconnected with SCE's communication network to permit (i) periodic, remote collection of revenue quality meter data, and (ii) back-up real time transmission of operating-quality meter data through the Telemetry System. SCE shall compare the Check Meter data to the CAISO-Approved Meter data. If the deviation between the CAISO-Approved Meter data and the Check Meter data for any comparison is greater than 0.3%, SCE shall provide Notice to Producer of such deviation and the Parties shall mutually arrange for a meter check or recertification of the Check Meter or CAISO-Approved Meter, as applicable. Each Party shall bear its own costs for any meter check or recertification. Testing procedures and standards for the Check Meter will be the same as for a comparable SCE-owned meter. Producer shall have the right to have representatives present during all such tests. The Check Meter is intended to be used for back-up purposes in the event of a failure or other malfunction of the CAISO-Approved Meter, and Check Meter data shall only be used to validate the CAISO-Approved Meter data and, in the event of a failure or other malfunction of the CAISO-Approved Meter, in place of the CAISO-Approved Meter until such time that the CAISO-Approved Meter is recertified.
- 7.12. Producer shall:
  - 7.12.1. Operate the Generating Facility in accordance with Prudent Electrical Practices;
  - 7.12.2. Comply with the requirements set forth in Appendix D;
  - 7.12.3. Use commercially reasonable efforts to Operate the Generating Facility so that the electric energy produced by the Generating Facility, net of Station Use, conforms with the Forecast provided in accordance with Appendix D;
  - 7.12.4. Maintain and provide electronically or in hard copy a copy of all relevant daily Operating records to SCE within twenty (20) days of Notice from SCE, including records showing (i) real and reactive power production, (ii) changes in Operating status, (iii) protective apparatus operations, and (iv) any unusual conditions found during inspections of the Generating Facility or the Site;
  - 7.12.5. At least seventy-five (75) days before the Term End Date or as soon as practicable before the date of an early termination of this Agreement, (i) submit to the CAISO the name of the Scheduling Coordinator that will replace SCE, and (ii) cause the Scheduling Coordinator that will replace SCE to submit a letter to the CAISO accepting the designation as Producer's Scheduling Coordinator;
  - 7.12.6. Take all actions necessary to ensure that the owner of the Site waives all claims for eligibility for, and does not submit any claim for receipt of funds under the California Solar Initiative or any net energy metering tariff for any Generating Facility or any future modifications to any Generating Facility; and
  - 7.12.7. Comply with all NERC reliability standards and requirements applicable to the generator owner and generator operator of the Generating Facility.
- 7.13. Producer shall provide Notice to SCE within one (1) Business Day if there is a termination of, or cessation of service under, any agreement required in order for any Generating Facility to (i)

interconnect with SCE's electric system, (ii) transmit and deliver electric energy to the Delivery Point, or (iii) own and operate any CAISO-Approved Meter.

- 7.14. Producer agrees, that, in accordance with FERC Order No. 697, upon request of SCE, Producer shall submit a letter of concurrence in support of an affirmative statement by SCE that the contractual arrangement set forth in this Agreement does not transfer "ownership or control of generation capacity" from Producer to SCE, as the term "ownership or control of generation capacity" is used in 18 CFR Section 35.42. Producer also agrees that it will not, in filings, if any, made subject to Order Nos. 652 and 697, claim that the contractual arrangement set forth in this Agreement conveys ownership or control of generation capacity from Producer to SCE.
- 7.15. With respect to WREGIS, Producer shall cause and allow SCE to be the "Qualified Reporting Entity" and "Account Holder" (as such terms are defined by WREGIS) for the Generating Facility.
- 7.16. Producer waives all claims for eligibility for, and will not submit any claim for receipt of funds under the California Solar Initiative or any net energy metering tariff for any Generating Facility or any future modifications to any Generating Facility.
- 7.17. With respect to the construction, alteration, demolition, installation, and repair work of the Generating Facility, Producer shall:
  - 7.17.1. Use reasonable efforts to ensure that all Electricians hired by Producer and its contractors and subcontractors are paid wages at rates not less than those prevailing for Electricians performing similar work in the locality provided by Division 2, Part 7, Chapter 1 of the California Labor Code. Nothing herein shall require Producer or its contractors or subcontractors to comply with, or assume liability created by other inapplicable provisions of the California Labor Code;
  - 7.17.2. Require that all contractors and subcontractors employed or otherwise utilized be licensed under California's Contractors' State License Board Rules and Regulations;
  - 7.17.3. Require that all contractors and subcontractors employed or otherwise utilized to perform electrical work be licensed as class C-10 electrical contractors under California's Contractors' State License Board Rules and Regulations, and all Electricians be certified to perform electrical work under California Labor Code Section 3099 *et seq.*; and
  - 7.17.4. Employ or otherwise utilize, and shall cause all of its contractors and subcontractors to employ or otherwise utilize, (to the extent that apprentice Electricians are employed or otherwise utilized) only apprentice Electricians that have enrolled in an apprentice training program that (i) is certified by the State of California, and (ii) has graduated at least one (1) apprentice per year for each of the five (5) years before the date that such apprentice Electrician is employed or otherwise utilized.

## 8. BILLING AND PAYMENT

- 8.1. The amount of electric energy purchased by SCE from Producer under this Agreement at the Delivery Point is determined by the CAISO-Approved Meter or Check Meter, as applicable. Throughout the Term and subject to and in accordance with the terms of this Agreement (including Sections 16.3 through 16.5), SCE shall pay the Product Price to Producer for the Product; *provided, however*, SCE has no obligation to purchase from Producer any Product that is not or cannot be delivered to the Delivery Point as a result of any circumstance, including: (i) an outage of the Generating Facility; (ii) a Force Majeure under Section 10; or (iii) except as otherwise provided in Sections 9.2 and 9.3, a reduction or curtailment of deliveries in accordance with Section 9.1. SCE will not be obligated to pay Producer for any Product that Producer delivers in violation of Section 9.1, including any energy Producer delivers in excess of the amount specified in any OSGC Order, and Producer shall pay all CAISO Sanctions and CAISO Costs, and SCE shall retain all CAISO Revenues.

- 8.2. For the purpose of calculating monthly payments under this Agreement, the amount measured by the CAISO-Approved Meter or Check Meter, as applicable, will be time-differentiated according to the time period and season of the receipt of the Product by SCE from Producer, as set forth in Appendix E (the “TOU Periods”), and the pricing will be weighted by the Energy Payment Allocation Factors set forth in Appendix E.
- 8.3. As set forth in Appendix E, TOU Periods for the winter season are mid-peak, off-peak and super off-peak and TOU Periods for the summer season are on-peak, mid-peak and off-peak. The monthly payment will equal the sum of the monthly TOU Period payments for all TOU Periods in the month. Each monthly TOU Period payment will be calculated pursuant to the following formula, where “n” is the TOU Period being calculated:

$$\text{TOU PERIOD}_n \text{ PAYMENT} = A \times B \times C$$

Where:

- A = Product Price, in \$/kWh.
- B = Energy Payment Allocation Factor for the TOU Period being calculated.
- C = The sum of electric energy recorded by the CAISO-Approved Meter or Check Meter, as applicable, in all hours for the TOU Period being calculated, in kWh.

- 8.4. On or before the tenth (10<sup>th</sup>) Business Day of the month immediately following each calendar month, Producer shall determine the amount of electric energy received by SCE pursuant to this Agreement for each monthly period and issue an invoice showing the calculation of the payment.
- 8.5. SCE shall make payment of each invoice on or before the later of the last Business Day of the month in which SCE receives an invoice from Producer, or the tenth (10<sup>th</sup>) Business Day after receipt of the invoice; *provided, however*, SCE shall have the right, but is not obligated, to apply any amounts due to SCE from Producer for any charges incurred under this Agreement, for past due bills for electric service or for SCE services, towards any amount owed to Producer under this Agreement. In the event SCE applies any amounts due to SCE from Producer towards an invoice issued by Producer, SCE shall provide an explanation of the amounts SCE has applied towards Producer’s invoice.
- 8.6. Notwithstanding anything to the contrary in Section 8.5, SCE may issue an invoice to Producer for any amount due under this Agreement. Unless explicitly stated otherwise, payment of such invoice shall be made within thirty (30) days of receipt of such invoice.
- 8.7. Unless otherwise agreed to in writing by the Parties, any payment due under this Agreement will be satisfied by issuance of a check or via wire transfer. Notwithstanding anything to the contrary set forth in this Agreement, neither Party is obligated to make payment on any invoice until the cumulative amount due exceeds fifty dollars (\$50), except that both Parties shall pay all amounts due pursuant to this Agreement at least once per calendar year no later than 30 days after the end of the calendar year.
- 8.8. In the event adjustments to SCE’s payments are required as a result of inaccurate metering equipment, SCE shall determine the correct amount of electric energy received under this Agreement during the period of inaccuracy and recompute the amount due to or from Producer. Any refund due and payable to SCE by Producer or due by SCE to Producer resulting from inaccurate metering will be made within thirty (30) days of SCE’s Notice to Producer by SCE of the amount due.
- 8.9. Monthly charges, if any, associated with any interconnection agreement, will be billed and paid pursuant to the applicable agreement, and monthly charges, if any, associated with electric service provided by SCE shall be billed and paid pursuant to the applicable SCE Tariffs.
- 8.10. Notwithstanding anything to the contrary set forth in this Agreement, this Section 8 is subject to any payment adjustment required under Sections 16.3 through 16.5.



## 9. CURTAILMENT

- 9.1. Producer shall promptly curtail the production of the Generating Facility: (i) upon Notice from SCE that SCE has been instructed by the CAISO or the Transmission Provider to curtail energy deliveries; (ii) upon Notice that Producer has been given a curtailment order or similar instruction in order to respond to an Emergency; (iii) if no Schedule was awarded in either the Day-Ahead Market or the Real-Time Market, and SCE provides notice, telephonic or otherwise, to curtail the production of the Generating Facility; or (iv) if SCE issues an OSGC Order.
- 9.2. For each day of the Term, if no Schedule is awarded for the Forecasted energy in both the Day-Ahead Market and Real-Time Market for such day, and the Generating Facility has not been curtailed pursuant to Section 9.1(i) or (ii), then, so long as Producer's actual availability establishes that the Generating Facility would have been able to deliver but for the fact a Schedule was not awarded, SCE shall pay Producer the Product Price, as adjusted by Appendix E, for the amount of energy Producer would have been able to deliver but for the fact that Producer did not receive a Schedule. The amount of energy that could have been delivered will be determined in accordance with Section 9.4.
- 9.3. If SCE bids the energy from the Generating Facility into the Day-Ahead Market and the CAISO awards a Schedule as a result of that bid, SCE shall have the right, but not the obligation, to order Producer to curtail the delivery of energy (an "Over-Schedule Generation Curtailment Order" or "OSGC Order") in excess of a Schedule awarded pursuant to this Section 9.3 (the "Over-Schedule Generation Curtailment Quantity" or "OSGC Quantity"). SCE shall pay Producer the Product Price, as adjusted by Appendix E, for the OSGC Quantity Producer would have been able to deliver but for the fact that SCE issued an OSGC Order. The amount of energy that could have been delivered will be determined in accordance with Section 9.4.
- 9.4. SCE shall estimate the amount of energy the Generating Facility would have been able to deliver under Sections 9.2 and 9.3. SCE shall apply accepted industry standards in making such an estimate and take into consideration the actual availability of the Photovoltaic Modules, past performance of the Generating Facility, meteorological data, solar irradiance data, and any other relevant information. Producer shall cooperate with SCE's requests for information associated with any estimate made hereunder. SCE's estimates under this Section 9.4 for the amount of energy that the Generating Facility would have been able to deliver under Sections 9.2 and 9.3 will be determined in SCE's sole discretion.

## 10. FORCE MAJEURE

- 10.1. Neither Party shall 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.
- 10.2. If a Party, because of Force Majeure, is rendered wholly or partly unable to perform its obligations when due under this Agreement, such Party (the "Claiming Party") shall be excused from whatever performance is affected by the Force Majeure to the extent so affected. In order to be excused from its performance obligations under this Agreement by reason of Force Majeure:
  - 10.2.1. The Claiming Party, on or before the fourteenth (14<sup>th</sup>) day after the initial occurrence of the claimed Force Majeure, must give the other Party Notice describing the particulars of the occurrence; and
  - 10.2.2. The Claiming Party must provide timely evidence reasonably sufficient to establish that the occurrence constitutes Force Majeure as defined in this Agreement.
- 10.3. The suspension of the Claiming Party's performance due to Force Majeure may not be greater in scope or longer in duration than is required by such Force Majeure. In addition, the Claiming Party shall use diligent efforts to remedy its inability to perform. 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.

10.4. The non-Claiming Party may terminate this Agreement on at least five (5) Business Days' prior Notice, in the event of Force Majeure which materially interferes with such Party's ability to perform its obligations under this Agreement and which extends for more than 365 consecutive days, or for more than a total of 365 days in any consecutive 540-day period.

## 11. INSURANCE.

11.1. Producer shall, at its own expense, starting on the Effective Date and until the Term End Date, and for such additional periods as may be specified below, provide and maintain in effect the following insurance policies and minimum limits of coverage as specified below, and such additional coverage as may be required by Applicable Law, with insurance companies authorized to do business in the state in which the services are to be performed, with an A.M. Best's Insurance Rating of not less than A-:VII:

11.1.1. Workers' compensation insurance with statutory limits, as required by the state having jurisdiction over Producer's employees, and employer's liability insurance with limits of not less than: (i) bodily injury by accident - \$1,000,000 each accident; (ii) bodily injury by disease - \$1,000,000 policy limit; and (iii) bodily injury by disease - \$1,000,000 each employee;

11.1.2. Commercial general liability insurance, written on an occurrence, not claims-made basis, covering all operations by or on behalf of Producer 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 must bear a combined single limit per occurrence and annual aggregate of not less than \$1,000,000, exclusive of defense costs, for all coverages. Such insurance must contain standard cross-liability and severability of interest provisions. If Producer elects, with SCE's written concurrence, to use a "claims made" form of commercial general liability insurance, then the following additional requirements apply: (i) the retroactive date of the policy must be prior to the Effective Date; and (ii) either the coverage must be maintained for a period of not less than four (4) years after this Agreement terminates, or the policy must provide for a supplemental extended reporting period of not less than four (4) years after this Agreement terminates;

11.1.3. Commercial automobile liability insurance covering bodily injury and property damage with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance must cover liability arising out of Producer's use of all owned, non-owned and hired automobiles in the performance of the Agreement; and

11.1.4. Umbrella/excess liability insurance, written on an occurrence, not claims-made basis, providing coverage excess of the underlying employer's liability, commercial general liability, and commercial automobile liability insurance, on terms at least as broad as the underlying coverage, with limits of not less than four million dollars (\$4,000,000) per occurrence and in the annual aggregate.

11.2. The insurance requirements set forth in Section 11.1 may be provided by any combination of Producer's primary and excess liability policies.

11.3. The insurance requirements set forth in Section 11.1 will 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 Producer's policies to the contrary. To the extent permitted by Applicable Law, Producer 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 insurance required in Section 11.1.2 and the umbrella/excess liability insurance required in Section 11.1.4 must name SCE, its subsidiaries and affiliates, and their respective officers, directors, shareholders, agents and

employees, as additional insureds for liability arising out of Producer's construction, use or ownership or control of the Generating Facility.

- 11.4. On or before the thirtieth (30<sup>th</sup>) day following the Effective Date, and within a reasonable time after coverage is renewed or replaced, Producer shall furnish to SCE certificates of insurance evidencing the coverage required above, written on forms and with deductibles reasonably acceptable to SCE. All deductibles, co-insurance and self-insured retentions applicable to the insurance above must be paid by Producer. All certificates of insurance must note that the insurers issuing coverage must endeavor to provide SCE with at least thirty (30) days' prior written notice in the event of cancellation of coverage. SCE's receipt of certificates that do not comply with the requirements stated in this Section 11.4, or Producer's failure to provide such certificates, do not limit or relieve Producer of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 11.4 and do not constitute a waiver of any of the requirements in this Section 11.4.
- 11.5. Producer shall remain liable for all acts, omissions or default of any subcontractor or subsupplier and shall indemnify, defend and hold harmless SCE for any and all loss or damages, as well as all costs, charges and expenses which SCE may suffer, incur, or bear as a result of any acts, omissions or default by or on behalf of any subcontractor or subsupplier.
- 11.6. If Producer fails to comply with any of the provisions of this Section 11, Producer, among other things and without restricting SCE's remedies under Applicable Law or otherwise, shall, at its own cost, act as an insurer and provide insurance in accordance with the terms and conditions of this Section 11. With respect to the required commercial general liability insurance set forth in Section 11.1.2, umbrella/excess liability insurance set forth in Section 11.1.4, and commercial automobile liability insurance set forth in Section 11.1.3, Producer 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 with an A.M. Best's Insurance Rating of A-:VII would have, had the insurance been maintained in accordance with the terms and conditions set forth in this Section 11 and given the required additional insured wording in the commercial general liability insurance and umbrella/excess liability insurance, and standard "Who is an Insured" provision in commercial automobile liability form.
- 11.7. All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance must be issued, clearly labeled with this Agreement's identification number and submitted in accordance with Section 12 and Appendix F.

## 12. NOTICES.

- 12.1. All Notices must be made in accordance with this Section 12 and Appendix F. Notices (other than Forecasts and Scheduling requests) must, unless otherwise specified in this Agreement, be in writing and may be delivered by hand delivery, first class United States mail, overnight courier service, e-mail or facsimile. Notices provided in accordance with this Section 12 are deemed given as follows:
  - 12.1.1. Notice by facsimile, another form of electronic transmission, or hand delivery is deemed given at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise is deemed given at the close of business on the next Business Day;
  - 12.1.2. Notice by overnight first class United States mail or overnight courier service is deemed given on the next Business Day after such Notice is sent out; and
  - 12.1.3. Notice by first class United States mail is deemed given two (2) Business Days after the postmarked date.
- 12.2. A Party may change its address for Notices at any time by providing the other Party Notice of such change in accordance with Section 12.1.

- 12.3. All Notices must reference this Agreement's identification number, which is set forth on the first page of this Agreement.
- 12.4. The Parties may designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by Notice provided in accordance with this Section 12 and Appendix E.

13. SCE'S ACCESS RIGHTS; PROVISION OF RECORDS AND DATA.

- 13.1. SCE has the right to examine the Site and the Generating Facility for any purpose connected with this Agreement upon providing Producer with reasonable advance Notice under the circumstances. Producer hereby grants SCE reasonable access to all CAISO-Approved Meters and Check Meters for meter readings and any purpose necessary to effectuate this Agreement. Producer 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. Producer shall promptly inform SCE of meter quantity changes after becoming aware of, or being informed of, any such changes by the CAISO. Producer shall provide instructions to the CAISO granting authorizations or other documentation sufficient to provide SCE with access to the CAISO-Approved Meter and to Producer's settlement data on OMAR.
- 13.2. No later than twenty (20) days after Producer's receipt of a Notice from SCE, Producer shall provide to SCE all documents reasonably requested by SCE relating to:
  - 13.2.1. The Generating Facility, including Producer's Operations and maintenance records, logs and other information, including meteorological data, solar irradiance data, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to the Generating Facility or its interconnection with SCE's electric system; and
  - 13.2.2. The administration of this Agreement, or in order for SCE to comply with any discovery or data request for information from the CPUC, CEC, FERC, any court, administrative agency, legislative body or other tribunal.
- 13.3. No later than ten (10) Business Days after Producer's receipt of a Notice from SCE, Producer shall provide to SCE copies of Internal Revenue Service tax Form W-9 and California tax Form 590 (or their equivalent), completed with Producer's information, and any other documentation necessary for SCE to comply with its tax reporting or withholding obligations with respect to Producer.

14. CONFIDENTIALITY.

- 14.1. Neither Party may disclose any Confidential Information to a third party, other than:
  - 14.1.1. To such Party's or its upstream parents' (which, in the case of SCE, is Edison International), employees, lenders, investors, attorneys, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential;
  - 14.1.2. To potential Lenders (with the consent of SCE, which consent will not be unreasonably withheld) that have agreed to keep such terms confidential;
  - 14.1.3. To SCE's Procurement Review Group, as defined in D.02-08-071, subject to any applicable limitations and subject to a protective order applicable to SCE's Procurement Review Group;
  - 14.1.4. To the CPUC, the CEC or the FERC, under seal for any regulatory purpose, including policymaking, but only provided that the confidentiality protections from the CPUC under Section 583 of the California Public Utilities Code or other statute, order or rule offering comparable confidentiality protection are in place before the communication of such Confidential Information;

- 14.1.5. 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;
- 14.1.6. In order to comply with any Applicable Law, including applicable regulation, rule, subpoena, or order of the CPUC, CEC, FERC, any court, administrative agency, legislative body or other tribunal, or any discovery or data request of the CPUC; *provided, however*, the disclosing Party makes reasonable efforts to limit the disclosure of such Confidential Information; and
- 14.1.7. 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 under this Agreement.

## 15. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

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

- 15.1.1. It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- 15.1.2. It has or will timely acquire all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- 15.1.3. 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 Applicable Laws;
- 15.1.4. This Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms;
- 15.1.5. There is not pending, or to its knowledge, threatened against it or, in the case of Producer, any of its affiliates, any legal proceeding that could materially adversely affect its ability to perform under this Agreement;
- 15.1.6. It is acting for its own account, and its decision to enter into this Agreement is based on 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
- 15.1.7. It has not relied on any promises, representations, statements or information of any kind that are not contained in this Agreement in deciding to enter into this Agreement.

15.2. Producer represents, warrants and covenants to SCE that:

- 15.2.1. As of the Effective Date and until the Term End Date: (i) Producer does not, and will not convey, transfer, allocate, designate, award, report or otherwise provide any or all of the Product, or any portion thereof, or any benefits derived therefrom, to any party other than SCE; (ii) Producer will not start-up or Operate any Generating Facility per instruction of or for the benefit of any third party, except as required by other Applicable Laws; and (iii) the output delivered to SCE qualifies under the requirements of the California Renewables Portfolio Standard (the "RPS Requirements");
- 15.2.2. Within thirty (30) days after the Effective Date, Producer shall file an application for CEC pre-certification for the Generating Facility as an Eligible Renewable Energy Resource, as such term is defined in Public Utilities Code Section 399.12 or Section 399.16 ("ERR Requirements"). By the Term Start Date, the Generating Facility shall be pre-certified as an ERR. As soon as practical following the Term Start Date and throughout the Term, the Generating Facility shall qualify and be certified by the CEC as an Eligible Renewable Energy Resource;

15.2.3. Throughout the Term, it shall: (i) own or control the Generating Facility, (ii) Operate the Generating Facility; (iii) deliver the Product to SCE free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any individual or entity; and (iv) hold the rights to all of the Product; and

15.2.4. Neither Producer nor, to the best of Producer's knowledge, the owner of any Site has participated in or submitted any claim for receipt of funds under the California Solar Initiative or any net energy metering tariff for any Generating Facility.

## 16. STATUS OF THE GENERATING FACILITY.

- 16.1. Producer shall provide prompt Notice to SCE if any Generating Facility or the Product ceases to comply with the ERR Requirements or the RPS Requirements.
- 16.2. Upon receipt of a Notice from SCE indicating that SCE has determined, in its reasonable discretion, that any Generating Facility may no longer comply with the ERR Requirements or RPS Requirements, Producer shall, within fifteen (15) days of receiving such Notice, provide to SCE evidence sufficient to show that such Generating Facility continues to comply with the ERR Requirements or RPS Requirements, as applicable. If SCE determines, in its reasonable discretion, that Producer failed to provide evidence sufficient to show that such Generating Facility continues to comply with the ERR Requirements or the RPS Requirements, as applicable, then such Generating Facility will no longer be deemed to comply with the ERR Requirements or RPS Requirements (the "ERR/RPS Status Change"), as applicable, until such time as Producer demonstrates to SCE's reasonable satisfaction that such Generating Facility complies with the ERR Requirements and RPS Requirements.
- 16.3. Upon an ERR/RPS Status Change, SCE shall revise its records and the administration of this Agreement to reflect such determination and shall provide Notice to Producer of its determination. Such Notice must specify the effective date of the ERR/RPS Status Change, which date will be the first day of the calendar month for which SCE determines in its reasonable discretion that such Generating Facility first ceased to comply with the ERR Requirements or RPS Requirements. SCE's Notice provided in accordance with this Section 16.3 must include an invoice for the refund of payments that were made to Producer during the period between the effective date of the ERR/RPS Status Change and the date of the last Notice in reliance upon Producer's representations that such Generating Facility complied with the ERR Requirements and RPS Requirements. Any amounts to be paid or refunded by Producer to SCE, as may be invoiced by SCE in accordance with this Section 16.3, must be paid to SCE within thirty (30) days of Producer's receipt of such invoice.
- 16.4. Notwithstanding anything to the contrary contained in this Agreement, during the entire period that any Generating Facility no longer complies with the ERR Requirements or the RPS Requirements, SCE will not be obligated to pay Producer for the Product.
- 16.5. Notwithstanding anything to the contrary contained in this Agreement, if there is a change in Applicable Law that results in the Producer no longer meeting the ERR Requirements or RPS Requirements, SCE shall continue to pay Producer for the Product so long as SCE determines that Producer has used, and will continue to use, commercially reasonable efforts to comply with such change in Applicable Law. The term "commercially reasonable efforts" as used in this Section 16.5 will not require Producer to incur out of pocket costs in excess of Ten Thousand Dollars (\$10,000) for each Generating Facility in any year in order to satisfy Producer's obligation to meet either the ERR Requirements or the RPS Requirements under the then-current Applicable Law.
- 16.6. Producer acknowledges and agrees that SCE may periodically inspect the Generating Facility or require documentation from Producer to monitor the Generating Facility's compliance with the ERR Requirements and RPS Requirements.
- 16.7. Producer agrees that 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. Furthermore, the Parties agree that any Availability Incentive Payments are for the

benefit of the Producer and for Producer's account and that any Non-Availability Charges are the responsibility of the Producer and for Producer's account.

17. INDEMNIFICATION.

- 17.1. Each Party as indemnitor shall defend, save harmless and indemnify the other Party and the directors, officers, employees, and agents of such other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect, or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including reasonable attorneys' fees) for injury or death to persons, including employees of either Party, and physical damage to property including property of either Party arising out of or in connection with the negligence or willful misconduct of the indemnitor relating to its obligations under this Agreement. This indemnity applies notwithstanding the active or passive negligence of the indemnitee; *provided, however,* that neither Party is indemnified under this Agreement for its loss, liability, damage, claim, cost, charge, demand or expense to the extent resulting from its own negligence or willful misconduct.
- 17.2. Producer shall defend, save harmless and indemnify SCE, its directors, officers, employees, and agents, assigns, and successors in interest, for and against any penalty imposed upon SCE to the extent caused by Producer's failure to fulfill its obligations as set forth in Sections 7.2 through 7.4.
- 17.3. Each Party releases and shall defend, save harmless and indemnify the other Party from any and all loss, liability, damage, claim, cost, charge, demand or expense arising out of or in connection with any breach made by the indemnifying Party of its representations, warranties and covenants in Section 15. Notwithstanding anything to the contrary in this Agreement, if Producer fails to comply with the provisions of Section 11, Producer shall, at its own cost, defend, save harmless and indemnify SCE, its directors, officers, employees, and agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including any direct, indirect, or consequential loss, damage, claim, cost, charge, demand, or expense, including reasonable attorneys' fees and other costs of litigation), resulting from injury or death to any individual or damage to any property, including the personnel or property of SCE, to the extent that SCE would have been protected had Producer complied with all of the provisions of Section 11. The inclusion of this Section 17.3 is not intended to create any express or implied right in Producer to elect not to provide the insurance required under Section 11.
- 17.4. All indemnity rights survive the termination of this Agreement for 12 months.

18. ARBITRATION. Except for matters relating to specific performance, injunctive relief or other equitable remedies, the Parties agree to submit to arbitration any and all matters in dispute or controversy among them concerning the terms of this Agreement. Unless the Parties agree to alternative arrangements, the selection of arbitrators and the procedure must be in accordance with the commercial arbitration rules then in effect of the Judicial Arbitration and Mediation Services, Inc. Any award rendered and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration must be borne equally by the Parties; *provided, however,* that each Party shall pay for and bear the costs of its own experts, evidence and counsel's fees. 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, California.

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 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.

19. ASSIGNMENT. Producer may not assign this Agreement or its rights or obligations under this Agreement without SCE's prior written consent, which consent will not be unreasonably withheld; *provided, however,* that Producer may, without SCE's consent (and without relieving Producer from liability under this Agreement), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or

proceeds hereof to its Lender in connection with any financing for a Generating Facility if (i) such Lender assumes the payment and performance obligations provided under this Agreement with respect to Producer, (ii) such Lender agrees in writing to be bound by the terms and conditions of this Agreement, and (iii) Producer delivers such tax and enforceability assurance as SCE may reasonably request. Any direct or indirect change of control of Producer (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.

## 20. MISCELLANEOUS.

- 20.1. EXCEPT AS MAY OTHERWISE BE PROVIDED IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY IS LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES ARE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. UNLESS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY IS LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES.
- 20.2. This Agreement will not be construed against any Party as a result of the preparation, substitution, or other event of negotiation, drafting or execution thereof.
- 20.3. No amendment or modification to this Agreement is enforceable unless reduced to a writing signed by all Parties.
- 20.4. This Agreement supersedes all prior agreements, whether written or oral, between the Parties with respect to its subject matter and constitutes the entire agreement between the Parties relating to its subject matter.
- 20.5. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.
- 20.6. The term "including" when used in this Agreement is by way of example only and will not be considered in any way to be in limitation.
- 20.7. The word "or" when used in this Agreement includes the meaning "and/or" unless the context unambiguously dictates otherwise.
- 20.8. This Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.
- 20.9. Whenever this Agreement refers to any law, tariff, government department or agency, regional reliability council, SCE's electric system, or credit rating agency, the Parties agree that the reference also refers to any successor to such law, tariff or organization.
- 20.10. 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, an Adobe Acrobat file 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.
- 20.11. The headings used in this Agreement are for convenience and reference purposes only and will not affect its construction or interpretation. All references to a "Section" or an "Appendix" refer to the corresponding Section or Appendix of this Agreement. Unless otherwise specified, all references to



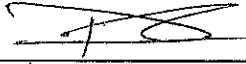
a "Section" in Appendices A through F refer to the corresponding Section in the main body of this Agreement. Words having well-known technical or industry meanings have such meanings unless otherwise specifically defined in this Agreement. Where days are not specifically designated as Business Days, they are calendar days. Where years are not specifically designated as Term Years, they are calendar years.

- 20.12. None of the provisions of this Agreement will be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder may not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same will continue and remain in full force and effect.
- 20.13. This Agreement does not constitute an agreement by SCE to provide retail electrical service to Producer or any third party. Such arrangements must be made separately with SCE.
- 20.14. The rights and obligations of the Parties that are intended to survive a termination of this Agreement are all such rights and obligations that this Agreement expressly provides survive such termination as well as those rights and obligations arising from either Parties' covenants, agreements, representations or warranties applicable to, or to be performed at, before or as a result of the termination of this Agreement.
- 20.15. 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.
- 20.16. Any outstanding and past due amounts owing and unpaid by either Party under the terms of this Agreement are 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized representatives as of the Effective Date.

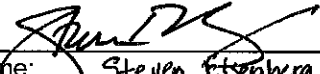
**KONA SOLAR LLC,**

**a Delaware limited liability  
company**

By:   
Name: DREW TORBIN  
Title: VP- Renewable Energy

**SOUTHERN CALIFORNIA EDISON  
COMPANY,**

a California corporation

By:   
Name: Steven Eisenberg  
Title: Vice President, Energy Contracts

## APPENDIX A DEFINITIONS

For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Appendix A:

“Agreement” has the meaning set forth in the Preamble.

“Applicable Law” means all constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority or arbitrator that apply to any Party, a Generating Facility or the terms of this Agreement.

“Availability Incentive Payments” has the meaning set forth in the CAISO Tariff.

“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.

“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.

“California Solar Initiative” means the California Solar Initiative Program implemented and overseen by the CPUC, and as may be revised from time to time.

“CAISO” means the California Independent System Operator Corporation or successor entity that dispatches certain generating units and loads and controls the transmission facilities of entities that (i) own, operate and maintain transmission lines and associated facilities or have entitlements to use certain transmission lines and associated facilities, and (ii) have transferred to the CAISO or its successor entity operational control of such facilities or entitlements.

“CAISO-Approved Meter” means any revenue quality, electric energy measurement meter(s) furnished by Producer, that (i) is designed, manufactured and installed in accordance with the CAISO’s metering requirements, or, to the extent that the CAISO’s metering requirements do not apply, Prudent Electrical Practices, and (ii) includes all of the associated metering transformers and related appurtenances that are required in order to measure the net electric energy output from the Generating Facility.

“CAISO Controlled Grid” has the meaning as set forth in the CAISO Tariff.

“CAISO Costs” means the debits, costs, penalties and interest that are assigned by the CAISO to the Generating Facility for, or attributable to, Scheduling or deliveries from the Generating Facility under this Agreement.

“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 Producer, including costs and revenues associated with CAISO dispatches.

“CAISO Sanctions” means any sanctions assigned by the CAISO to the Generating Facility or attributable to, Scheduling or deliveries from the Generating Facility under this Agreement.

“CAISO Tariff” means the California Independent System Operator Corporation Operating Agreement and Tariff, 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.

“Capacity Attributes” means any and all current or future defined characteristics, certificates, tag, 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 Term.

“CEC” means the California Energy Commission.

“Check Meter” means the SCE revenue-quality meter section(s) or meter(s), which SCE may require at its discretion, and which will include those devices normally supplied by SCE or Producer under the applicable utility electric service requirements.

“Claiming Party” has the meaning set forth in Section 10.2.

“Collateral Requirement” has the meaning set forth in Section 4.1.

“Confidential Information” means all oral or written communications exchanged between the Parties on or after the Effective Date relating to the implementation of this Agreement (including information related to Producer’s compliance with Operating and efficiency standards applicable to any Generating Facility), and includes this Agreement and its terms and conditions hereof. Notwithstanding the foregoing sentence, Confidential Information also includes bids and other offers made by either Party pursuant to negotiations with respect to this Agreement before the Effective Date. Confidential Information does not include information that (i) is in the public domain as of the Effective Date or which comes into the public domain after the Effective Date from a source other than from the other Party, (ii) either Party can demonstrate in writing was already known to such Party on a non-confidential basis before the Effective Date, (iii) comes to a Party from a bona fide third-party source not under an obligation of confidentiality, and (iv) is independently developed by a Party without use of or reference to Confidential Information or information containing Confidential Information.

“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 operation control of another organization vested with authority comparable to that of the CAISO.

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means either (1) 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, or (2) a final and non-appealable disposition of the CPUC’s Energy Division, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms or deems approved an advice letter requesting the following terms:

- (a) Approves this Agreement in its entirety, including payments to be made by SCE, subject to CPUC review of SCE’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 SCE’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 (1) the date that a CPUC decision containing such findings becomes final and non-appealable, or (2) the date that a CPUC Energy Division disposition which contains such findings or deems approved an advice letter requesting such findings becomes final and non-appealable.

“Current Inverter” means the equipment or device(s) that convert DC electricity into AC electricity.

“Day-Ahead Market” has the meaning set forth in the CAISO Tariff.

“DC Collection System” means the DC equipment, cables, components, devices and materials that interconnect the Photovoltaic Modules with the Current Inverters.

“Delivery Point” means the point of delivery of Product to the CAISO-Controlled Grid, as specified in Section 2.6 and set forth in the single-line diagram of the CAISO-Controlled Grid interconnection attached hereto in Appendix B.

“Effective Date” has the meaning set forth in the Preamble.

“EIRP” (i.e., Eligible Intermittent Resource Protocol) means the CAISO’s intermittent resource program initially established pursuant to the CAISO Tariff or any successor program that SCE determines accomplishes a similar purpose.

“Electrician” means an individual responsible for placing, installing, erecting or connecting any electrical wires, fixtures, appliances, apparatus, raceways, conduits, solar photovoltaic cells or any part thereof, which generate, transmit, transform or utilize electric energy in any form or for any purpose.

“Emergency” means (i) an actual or imminent condition or situation which jeopardizes the integrity of the electric system or the integrity of any other systems to which the electric system is connected or any condition so defined and declared by the CAISO; or (ii) 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 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.

“Energy Payment Allocation Factors” are those certain factors used to calculate TOU Period payments, as further described in Sections 8.2 and 8.3, and as set forth in Appendix E.

“ERR Requirements” has the meaning set forth in Section 15.2.2.

“ERR/RPS Status Change” has the meaning set forth in Section 16.2.

“FERC” means the Federal Energy Regulatory Commission.

“Forecast” means the hourly forecast of either the sum of the Current Inverter continuous electrical output ratings for Current Inverters made operational for a stated forecast period (in MWs) or electric energy (in MWh) of the Generating Facility in accordance with SCE’s instructions.

“Force Majeure” means any event or circumstance (that is not anticipated as of the Effective Date) to the extent beyond the control of, and not the result of the negligence of, or caused by, the Party seeking to have its performance obligation excused thereby, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it has been unable to overcome. Force Majeure does not include: (i) a failure of performance of any individual or entity, including any individual or entity providing electric transmission or distribution service or fuel transportation to a Generating Facility, except to the extent that such failure was caused by an event that would otherwise qualify as Force Majeure; (ii) failure to timely apply for or obtain Permits or other credits required to Operate a Generating Facility; (iii) breakage or malfunction of equipment (except to the extent that such failure was caused by an event that would otherwise qualify as Force Majeure); (iv) a lack of solar radiation; or (v) any delay in providing, or cancellation of, interconnection service.

“Full Capacity Deliverability Status” has the meaning set forth in SCE Tariffs.

“Generating Facility” means Producer’s solar photovoltaic generating facility, as more particularly described in Appendix B, together with all materials, equipment systems, structures, features and improvements necessary to produce electric energy at such facility, excluding the Site, land rights and interests in land. If this Agreement

is for more than one Generating Facility (as defined in the immediately preceding sentence), the term “Generating Facility” means each Generating Facility contemplated by this Agreement, unless the context otherwise specifies or requires.

“Governmental Authority” means any (i) federal, state, local, municipal or other government, (ii) 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 (iii) court or governmental tribunal.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Generating Facility, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:

- (1) Any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO) and other pollutants;
- (2) Any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), 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;<sup>1</sup>
- (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 a Generating Facility,
- (ii) Production tax credits associated with the construction or operation of a Generating Facility and other financial incentives in the form of credits, reductions, or allowances associated with a Generating Facility that are applicable to a state or federal income taxation obligation,
- (iii) Fuel-related subsidies or “tipping fees” that may be paid to Producer 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 a Generating Facility for compliance with local, state, or federal operating and/or air quality permits.

“Gross Power Rating” means the value, in kW DC and as set forth in Section 2.3 and as may be adjusted pursuant to Section 4.3.2, which is the sum of all Photovoltaic Module DC Ratings for Photovoltaic Modules to be installed at the Generating Facility.

“Interest Rate” means an annual rate equal to the rate published in The Wall Street Journal as the “Prime Rate” (or, if more than one rate is published, the arithmetic mean of such rates) as of the date payment is due plus two (2) percentage points; *provided, however*, that in no event will the Interest Rate exceed the maximum interest rate permitted by Applicable Laws.

“Lease” means one or more agreements whereby Producer leases the Site described in Appendix B from the owner of the Site, the term of which lease begins on or before the Effective Date and extends at least through the Term End Date.

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<sup>1</sup> 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.

“Lender” means any financial institution or successor in interest or assignee that provides development, bridge, construction, permanent debt or tax equity financing or refinancing for a Generating Facility to Producer.

“Letter of Credit” means an irrevocable, nontransferable standby letter of credit provided by Producer from an issuer acceptable to SCE that is either a U.S. commercial bank or a U.S. branch of a foreign bank with the bank having a Credit Rating of at least “A-” from S&P and Fitch and “A3” from Moody’s, in the form of Appendix C. Producer must bear the costs of all Letters of Credit.

“Metered Amounts” means the electric energy expressed in kWh, as recorded by the CAISO Approved Meter(s), or Check Meter(s), as applicable.

“NERC” means the North American Electric Reliability Corporation.

“Net Power Rating” means the value, in kW AC and as set forth in Section 2.4 and as may be adjusted pursuant to Section 4.3.2, which is the sum of all Current Inverter continuous output ratings or any transformer continuous output ratings, whichever is less, located between the Current Inverters and the CAISO-Approved Meter.

“Non-Availability Charges” has the meaning set forth in the CAISO Tariff.

“Notice” means notices, requests, statements, reports or payments provided by one Party to the other Party, which must be provided in accordance with Section 12 and Appendix F.

“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.

“Operate” 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.

“Over-Schedule Generation Curtailment Order” and “OSGC Order” have the meaning set forth in Section 9.3.

“Over-Schedule Generation Curtailment Quantity” and “OSGC Quantity” have the meaning set forth in Section 9.3.

“Parties” and “Party” have the meanings set forth in the Preamble.

“Permits” means all applications, approvals, authorizations, consents, filings, licenses, orders, permits or similar requirements imposed by any Governmental Authority, or the CAISO, in order to develop, construct, Operate, maintain, improve, refurbish and retire the Generating Facility or to Schedule and deliver the electric energy produced by the Generating Facility to SCE, including an authority to construct or conditional use permit.

“Permit Approval” means approval by the relevant regulatory agencies of any Permit and shall be deemed obtained upon the issuance of such Permit, and shall not be invalidated by the pendency of an appeal or other post-issuance challenge to the issuance of the Permit.

“Photovoltaic Module” means the individual component that produces DC electric energy from solar radiation.

“Photovoltaic Module DC Rating” means, for each Photovoltaic Module installed or to be installed at the Site, the number (expressed in kW<sub>PDC</sub>) stated on the nameplate affixed thereto representing the manufacturer’s maximum (at “peak” sunlight) DC power rating at the standard test condition (“P<sub>mp</sub>” or Power maximum at peak).

“PIRP” (i.e., Participating Intermittent Resource Program) means the CAISO’s intermittent resource program initially established pursuant to Amendment No. 42 of the CAISO Tariff in Docket No. ER02-922-000, or any successor program that SCE determines accomplishes a similar purpose.

“PPT” has the meaning set forth in Section 2.2 of Appendix D.

“Premises” has the meaning set forth in SCE’s Rule 1.

“Producer” has the meaning set forth in the Preamble.

“Product” means (i) all electric energy produced by the Generating Facility, net of Station Use, and (ii) all Green Attributes, Capacity Attributes, and Resource Adequacy Benefits.

“Product Price” has the meaning set forth in Section 2.7.

“Prudent Electrical Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric 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 at the time a decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety. Prudent Electrical Practices includes, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with the manufacturer’s warranties, restrictions in this Agreement, and the requirement of Governmental Authorities, WECC standards, the CAISO and Applicable Laws. Prudent Electrical Practices include taking reasonable steps to ensure that: (i) equipment, materials, resources and supplies, including spare parts inventories, are available to meet the Generating Facility’s needs; (ii) sufficient operating personnel are available at all times and are adequately experienced, 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; (iii) preventative, 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; (iv) appropriate monitoring and testing are performed to ensure equipment is functioning as designed; (v) 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 SCE’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 (vi) equipment and components designed and manufactured to meet or exceed the standard of durability that is generally used for solar electric energy generation operations 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.

“Real-Time Market” has the meaning set forth in the CAISO Tariff.

“Renewable Energy Credit” has the meaning set forth Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by Applicable Law.

“Resource Adequacy Benefits” means the rights and privileges attached to the Generating Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and include any local, zonal or otherwise locational attributes associated with the Generating Facility.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031 and any subsequent CPUC 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 Term.

“RPS Requirement” has the meaning set forth in Section 15.2.1.

“Rule” means SCE Tariff sheets that set forth the application of all rates, charges, and service when such applicability is not set forth in and as part of the rate schedules.

“SCE” has the meaning set forth in the Preamble.

“SCE Tariffs” means the entire body of effective rates, rentals, charges, and rules collectively of SCE, including

title page, preliminary statement, service area maps, rate schedules, list of contracts and deviations, Rules, and sample forms.

“Schedule,” “Scheduled” or “Scheduling” means the action of SCE in submitting bids to the CAISO and receiving all CAISO markets results from the CAISO; *provided*, that a CAISO market result where the Generating Facility is instructed to deliver zero (0) kWhs is not considered a “Schedule” for purposes of this Agreement.

“Scheduling Coordinator” has the meaning set forth in the CAISO Tariff, as amended by FERC from time-to-time.

“Service Account” has the meaning set forth in SCE’s Rule 1.

“Simple Interest Payment” means a dollar amount calculated by multiplying the (i) dollar amount on which the Simple Interest Payment is based, times (ii) the Interest Rate, times (iii) the result of dividing the number of days in the calculation period by 360.

“Site” means the real property on which the Generating Facility is, or will be located, as further described in Appendix B. If this Agreement is for more than one Generating Facility, the term “Site” (as defined in the immediately preceding sentence), means each Site on which a Generating Facility contemplated by this Agreement is, or will be located, unless the context otherwise specifies or requires.

“Site Control” means that Producer (i) owns the Site, (ii) is the lessee of the Site under a Lease, or (iii) is the holder of a right-of-way grant or similar instrument with respect to the Site.

“Station Use” means the electric energy produced by the Generating Facility that is: (i) used within the Generating Facility to power the lights, motors, control systems and other electrical loads, such as meteorological equipment that are necessary for Operation; and (ii) consumed within the Generating Facility’s DC Collection System as losses within the Photovoltaic Modules, associated wiring, combiner boxes, Current Inverters, transformers and other equipment.

“Telemetry Cost Cap” has the meaning set forth in Section 7.10.

“Telemetry Installation Costs” means the initial costs to Producer for the purchase and installation of the Telemetry System. For the avoidance of doubt, in no event shall “Telemetry Installation Costs” include ongoing operating expenses of the Telemetry System following its initial installation, including but not limited to communication costs and costs associated with maintaining a T-1 line.

“Telemetry System” means a system of electronic components that collects all required telemetry in accordance with the PIRP/EIRP and SCE operational requirements and communicates this telemetry to the CAISO and SCE as required by applicable tariff or this Agreement. For the avoidance of doubt, the Telemetry System does not include other components of the Generating Facility that do not collect or communicate such required telemetry, including but not limited to, Producer’s system control and data acquisition systems.

“Term” has the meaning set forth in Section 3.1.

“Term End Date” has the meaning set forth in Section 3.1.

“Term Start Date” has the meaning set forth in Section 3.1.

“Term Year” means a twelve (12) month period beginning on the first day of the calendar month following the Term Start Date and each successive twelve (12) month period thereafter.

“TOU Periods” has the meaning set forth in Section 8.2 and Appendix E.

“Transmission Provider” means any entity or entities responsible for the interconnection of the Generating Facility with a Control Area or transmitting the Metered Amounts on behalf of Producer from the Generating Facility to the Delivery Point.



“Web Client” means a web-based system approved by SCE.

“WECC” means the Western Electricity Coordinating Council, the regional reliability council for the Western United States, Southwestern Canada, and Northwestern Mexico.

“WMDVBE” has the meaning set forth in CPUC General Order 156.

“WREGIS” means the Western Renewable Energy Generation Information System.

\*\*\* [*End of Appendix A*] \*\*\*

**APPENDIX B**  
**DESCRIPTION OF THE GENERATING FACILITY AND THE SITE**

Notwithstanding anything set forth in this Appendix B, nothing in this appendix is intended to supplement, modify, alter, change, supersede, or take precedence over the Parties' rights and obligations with respect to confidentiality, the disclosure of information, the provision of information, and any consent rights associated with the disclosure or provision of information. For purposes of the Agreement, any language associated with confidentiality, the disclosure of information, the provision of information, and any consent rights associated with the disclosure or provision of information in this Appendix B shall be invalid and unenforceable.

Southern California Edison  
 Solar Photovoltaic Program  
 Power Purchase and Sale Agreement  
 Appendix B

Name and Address of the Generating Facility:

WDAT1053  
 Terra Francesco 1  
 1801 S Carlos Ave  
 Ontario, CA 92824

Description of the Generating Facility:

**General Description and Location of the Site:** 1,944 kWpDC fixed tilt rooftop photovoltaic system using polycrystalline modules and Power One Aurora Trio string inverters interconnected at 480v. Building located at SE corner of South Carlos Avenue and East Francis Street intersection in Ontario, CA.

<u>Modules</u>	<u>Manufacturer</u>	<u>Model #</u>	<u>Rating</u>	<u>Quantity</u>	<u>Comments</u>
	Canadian Solar	Maxpower CS6X-300P TRIO-27.6-TL-OUTD-S1B-US-	300W	6,480	
<u>Inverters</u>	Power-One	480	27.6kW	54	Power One Aurora Trio 27.6kW string inverter
<u>Station Service Transformer</u>	TBD	TBD	5kVa	1	12kV - 120/240V Mini Power Center for Support Loads
<u>Transformers (Owned by Kona Solar, LLC)</u>	Cooper Power Systems	00010P11XYEA	200v to 12.47kv 500kva	0	
<u>Transformers (Owned by Kona Solar, LLC)</u>	Cooper Power Systems	00010P11XYEA	200v to 12.47kv 250kva	0	
<u>Transformers (Owned by Southern California Edison)</u>	TBD	TBD	TBD	TBD	

**Racking** Fixed tilt by Panelclaw or Sunlink.

**Combiner Boxes** Manufacturers may include Shoals, Bentek, Sunlink, Amtec, Solarbos, Midnite Solar.

**PV Switchgear** Manufacturers may include RSE/Sierra (division of Myers Power Products), General Electric, Siemens.

**DAS, Monitoring and Metering Systems** RIG / Data Processing Gateway – Tri-Mark T1S Gateway.

Revenue Meter – ION 8600 form 9S meter.

MET Stations – Campbell Scientific CR 1000 data logger, Kipp & Zonen CMP 3 thermopile pyranometer, Lufft Model WS-500 weather station, and Campbell Scientific 110PV sensor.

**Designation System to Identify**

**Individual Generating Units:** SPVP-025 - PV Switchgear for Solar Photovoltaic Plant SPVP-025

T25X - Transformer where "X" represents the System letter

I25X - Inverter where "X" represents the System letter

F25XY - Master Fuse Box where "X" represents System Letter and "Y" represents Master Fuse Box number

J-X# - Transition point where "X#" represents transition number

CB-XYX - Combiner Box where "X" represents system letter and "YY" represents combiner box number

S25-XXX - Site 25 (S25) cable tray or conduit section label where "XXX" represents cable tray or conduit section number

SC-XXX - Source circuit where "XXX" represents circuit number and modules are numbered sequentially as wired in series.

**Example:** Modules 1-14/SC-001/CB-A01/F25A1/I25A/T25A/SPVP-025

**Site Plan** Uploaded as a separate file to RFO website, with required documents

**Single Line Diagram** Uploaded as a separate file to RFO website, with required documents

**Legal Description including Site Map** Uploaded as a separate file to RFO website, with required documents

**Longitude and Latitude** 34.039453, -117.604308

GENERAL NOTES:

- 1. ALL SITE, PROJECT, AND BUILDING DETAILS ARE PROVIDED BY CUSTOMER OR GENERATED VIA SATELLITE IMAGERY FROM INFORMATION PROVIDED BY CUSTOMER. PANELCLAW IS NOT RESPONSIBLE FOR SITE INACCURACIES THAT COULD LEAD TO CHANGES TO THESE DRAWING DETAILS AND ARRAY LAYOUT CONFIGURATIONS. ALL INFORMATION CONTAINED WITHIN THESE DOCUMENTS ARE TO BE FIELD VERIFIED BY CUSTOMER AND INSTALLER. ANY CHANGES OR MODIFICATIONS TO THESE DOCUMENTS, CONTAINED INFORMATION, OR FINAL ARRAY AND MOUNTING SYSTEM INSTALLATIONS MUST BE SUBMITTED TO PANELCLAW AND OTHER PROJECT AUTHORITIES FOR APPROVAL.
- 2. REFER TO AND FOLLOW THE APPROPRIATE PANELCLAW INSTALLATION MANUALS AND PROCEDURES DURING THE INSTALLATION PROCESS. NOT FOLLOWING SUCH PROCEDURES AND METHODS COULD RESULT IN DAMAGE TO THE COMPONENTS OR MAY VOID THE PRODUCT WARRANTY.
- 3. ARRAY SETBACKS: ALL ARRAYS ARE REQUIRED TO BE SETBACK 3-FEET FROM ALL ROOF EDGES UNLESS OTHERWISE SPECIFIED AND CALLED OUT ON THE ARRAY DIAGRAMS ON THIS PAGE OR ON ADDITIONAL ARRAY BALLAST PAGES.
- 4. REFER TO THE SPECIFIC ARRAY BALLAST SHEETS FOR BALLASTING REQUIREMENTS BASED ON THE PROVIDED SITE INFORMATION.
- 5. THE MODULE FOOTPRINT DETAIL INCLUDES THE ASSEMBLY OF (1) MODULE MOUNTED TO (4) SUPPORTS AND (1) DEFLECTOR. DIMENSIONS DO NOT REFLECT DIRECT MODULE LENGTH AND WIDTH.
- 6. ALL CMU BLOCKS UTILIZED ON THIS PROJECT MUST COMPLY WITH ASTM C 1491.
- 7. SITE SPECIFIC PARAMETERS BASED ON ASCE 7-05 CODE UNLESS OTHERWISE SPECIFIED.
- 8. SYSTEM PSF INCLUDES ALL PANELCLAW RACKING COMPONENTS, MECHANICAL ATTACHMENTS(IF APPLICABLE), PV MODULE AND BALLAST BLOCKS.

N/A

AERIAL PHOTO / SITE DIAGRAM


POLAR BEAR FR GEN II 10° (FULLY DEFLECTED)

PROJECT DETAIL

WIND SPEED (MPH)	105
WIND EXPOSURE CATEGORY	B
OCCUPANCY CATEGORY	II
SEISMIC DESIGN CATEGORY	D
MODULE TYPE	Canadian Solar CS6X-265-295
MODULE DIMENSIONS (IN x IN)	38.66 X 76.93
NUMBER OF MODULES	6480
MODULE WATTAGE (W STC)	300
SYSTEM SIZE (KW STC)	1944
SYSTEM WEIGHT (LB)	803877.95
SYSTEM AREA (SQ FT.)	204058.30
NUMBER OF ARRAYS	23
ARRAY TILT (DEG)	11.0
N-S SPACER STICK DIM. (IN)	34.91
E-W SPACER STICK DIM. (IN)	78.40

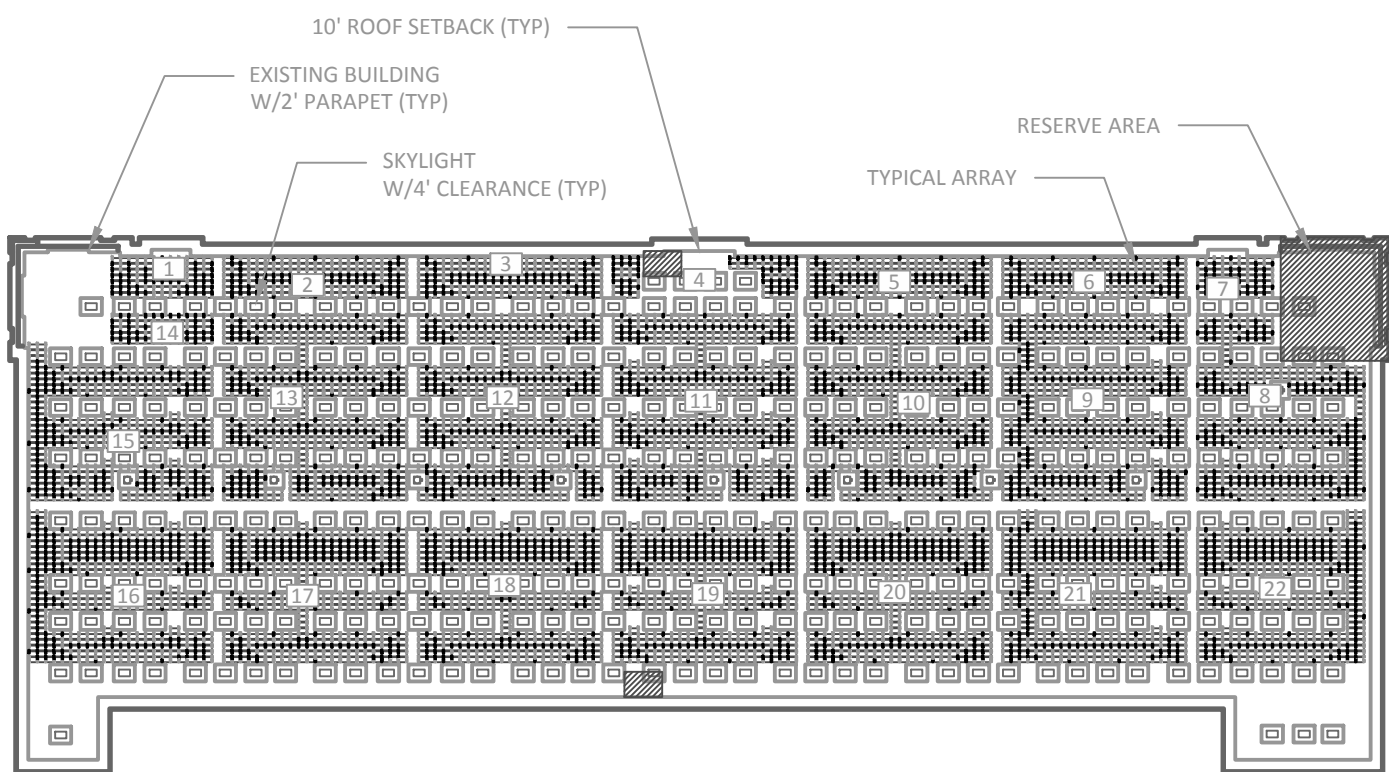
PROJECT PART QUANTITIES

ITEM	PART NUMBER	QTY
<b>POLAR BEAR SUPPORT</b>	5000062	6999
ASSY, SUPPORT, G90 ST, 304SS, POLAR BEAR GEN II 10 DEG-PAD		
<b>SOUTH SUPPORT</b>	5000136	1154
ASSEMBLY, SUPPORT, SOUTH, G90ST, POLAR/GRIZZLY, PAD		
<b>DEFLECTOR</b>	200010807	6480
DEFLECTOR, G90 ST, 81", POLAR/GRIZZLY BEAR GEN II 10 DEG		
<b>CLAW</b>	5000005	25920
ASSY, CLAW-STANDARD, ALUMINUM		
<b>MECH. ATTACHMENT</b>	5000070	425
ASSY, MECHANICAL ATTACHMENT, 6"L x 6"W x 6"H WITH 3" LONG SCREW		
<b>DEFLECTOR END PLATE</b>	2000140	520
END PLATE, G90 STEEL, POLAR BEAR / GRIZZLY BEAR GEN II 10 DEG		
<b>TOTAL CMU BLOCKS</b>	26 lbs	8747

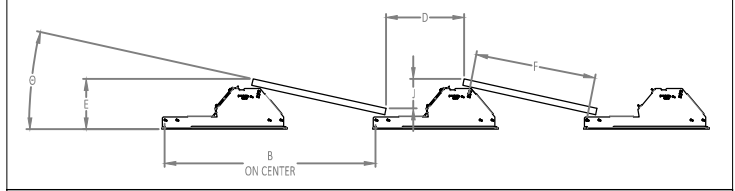

**panelclaw**  
 PANELCLAW, INC.  
 1600 OSGOOD ST. SUITE 2023  
 NORTH ANDOVER, MA 01845  
 TEL: 978.688.4900  
 FAX: 978.688.5100  
 www.panelclaw.com

PREPARED FOR  
**PROLOGIS WDAT 1053**  
 PROJECT  
**TERRA FRANCESCO**  
 LOCATION  
**1801 S CARLOS AVE, ONTARIO, CA 91761**

SCALE: NTS    REV: 1    SIZE: B    SHEET: 1 OF 2

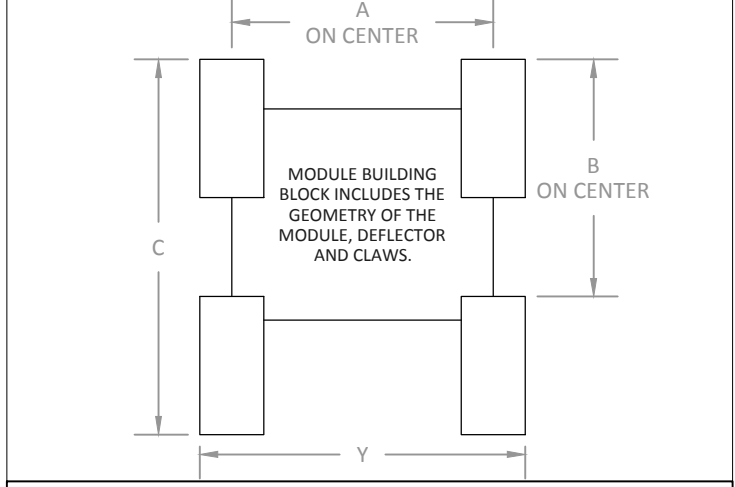


ARRAY SPECIFICATION DETAIL - SCALE: NTS



BUILDING BLOCK DIMENSIONS - 4B SPACING

A	B	C	Y
78.40	54.75	89.00	94.40



MODULE FOOTPRINT SCALE: NTS

ARRAY SITE MAP - NOT FOR CONSTRUCTION. FOR PLANNING PURPOSES ONLY. SCALE: NTS

S. CARLOS AVE

E. FRANCIS STREET

S. CEDAR STREET

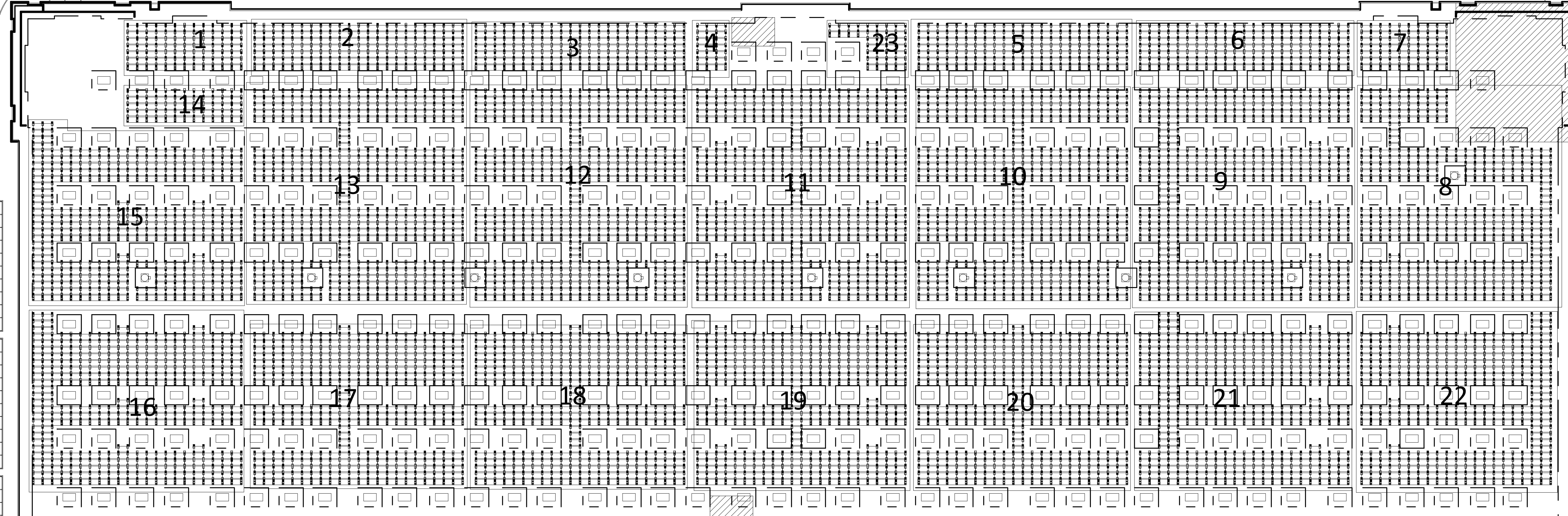
TERRA FRANCESCO

EXISTING SCE TRANSFORMER

PROPOSED NEW SCE TRANSFORMER FOR ROOFTOP SOLAR

ROOFTOP INVERTER, TYP

PROPOSED NEW 480V SWITCHBOARD AND METERING (480V POINT OF SERVICE OF SOLAR)  
34°02'22.54"N. 117°36'08.16"W



ISSUED FOR: PROPOSAL  
 DATE: 11-20-2013



Print Record


Revision Record


TERRA FRANCESCO  
 WDAT 1053  
 1801 S CARLOS AVE  
 ONTARIO, CA 92824

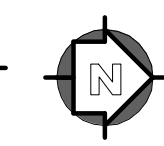


2317 E. CEDAR ST. #200  
 ONTARIO, CA. 91761  
 Telephone: (909)673-8700

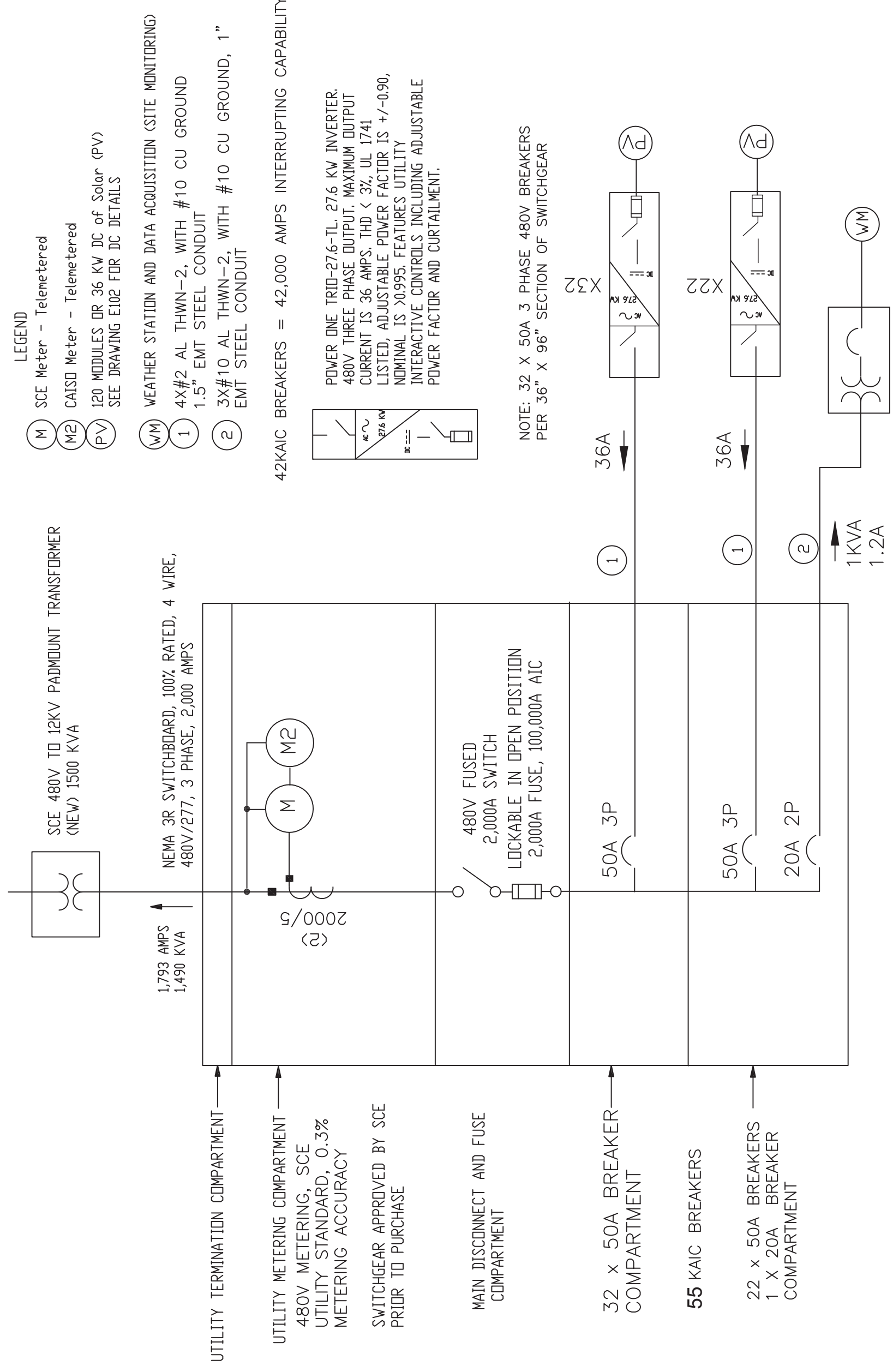
Date: 11-20-2013  
 Project No.: 20130113  
 Sheet Title:

SITE PLAN  
 Sheet No.:  
**A-100**  
 Released for Construction  
 Not Released for Construction

SITE PLAN  
 NOT TO SCALE



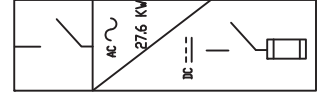
**Extinguisher 12 kV circuit out of Firehouse 66/12 kV Substation**



**LEGEND**

- (M) SCE Meter - Telemetered
- (M2) CAISO Meter - Telemetered
- (PV) 120 MODULES DR 36 KW DC of Solar (PV)  
SEE DRAWING E102 FOR DC DETAILS
- (WM) WEATHER STATION AND DATA ACQUISITION (SITE MONITORING)
- (1) 4X#2 AL THWN-2, WITH #10 CU GROUND  
1.5" EMT STEEL CONDUIT
- (2) 3X#10 AL THWN-2, WITH #10 CU GROUND, 1"  
EMT STEEL CONDUIT

42KAIC BREAKERS = 42,000 AMPS INTERRUPTING CAPABILITY



POWER ONE TRID-27.6-TL 27.6 KW INVERTER.  
480V THREE PHASE OUTPUT. MAXIMUM OUTPUT  
CURRENT IS 36 AMPS. THD < 3%, UL 1741  
LISTED, ADJUSTABLE POWER FACTOR IS +/-0.90,  
NOMINAL IS 0.995. FEATURES UTILITY  
INTERACTIVE CONTROLS INCLUDING ADJUSTABLE  
POWER FACTOR AND CURTAILMENT.

NOTE: 32 X 50A 3 PHASE 480V BREAKERS  
PER 36" X 96" SECTION OF SWITCHGEAR

5KVA AUXILIARY TRANSFORMER,  
480V:240V/120V W/INTEGRATED  
PANEL FOR DATA MONITORING AND  
SERVICE POWER

ARRAY INFORMATION	
MODULE TYPE	POLYCRYSTALLINE
TOTAL MODULE COUNT	6,480
MODULE STC-DC SIZE	300 WATTS
TOTAL STC-DC SIZE	1,944 MW
INVERTER	POWER ONE TRID-27.6-TL
INVERTER COUNT	54
TOTAL AC OUTPUT	1.49 MW

**SOLVIDA ENERGY GROUP**  
1641 KAINS AVE. BERKELEY, CA. 94702  
- WWW.SOLVIDAENERGY.COM -  
PHONE: 510-343-5983

**PROLOGIS**  
2317 E. Cedar Street #200, Ontario, CA 91761  
Phone: 909.673.8700

NOTES:

**ELECTRICAL ENGINEER:**  
Charles W. Cunha  
No. 12478  
Exp. 9-30-13  
STATE OF CALIFORNIA  
REGISTERED PROFESSIONAL ENGINEER  
EL DORADO HILLS, CA 94762  
916-934-0208

THIS PRINT IS NOT TO BE USED FOR  
CONSTRUCTION UNLESS NOTED AND  
SIGNED OK FOR CONSTRUCTION  
ABOVE LAST REVISION.

REV. NO	DESCRIPTION	DATE
2	UPDATE	1/06/14
1	DRAWING UPDATE	11/14/13
0	INITIAL DESIGN	5/22/13

PROJECT SITE:  
WIDAT 1053  
TERRA FRANCESCO  
1801 S. CARLOS AVE.  
ONTARIO, CA 92824

PROJ. MGR. \_\_\_\_\_ PROJ. ENGR. CMC SCALE: NONE

DRAWING: AC ONE LINE DIAGRAM

DRAWING NO. **E-102** REV. \_\_\_\_\_

CONFIDENTIALITY STATEMENT: THIS DRAWING IS THE PROPERTY OF SOLVIDA ENERGY GROUP. THIS INFORMATION IS CONFIDENTIAL AND IS TO BE USED ONLY IN CONNECTION WITH WORK DESCRIBED BY SOLVIDA. NO PART IS TO BE DISCLOSED TO OTHERS WITHOUT WRITTEN PERMISSION FROM SOLVIDA ENERGY.

# SOLVIDA ENERGY GROUP

1641 KAINS AVE. BERKELEY, CA. 94702  
 - WWW.SOLVIDAENERGY.COM -  
 PHONE: 510-343-5983



2317 E. Cedar Street #200, Ontario, CA 91761  
 Phone: 909.673.8700

NOTES:

ELECTRICAL ENGINEER:



CHARLES W. CUNHA  
 PO BOX 5251  
 EL DORADO HILLS, CA 94762  
 916-934-0208

THIS PRINT IS NOT TO BE USED FOR CONSTRUCTION UNLESS NOTED AND SIGNED OK FOR CONSTRUCTION ABOVE LAST REVISION.

REV. NO	DESCRIPTION	DATE
1	UPDATE	1/06/14
0	INITIAL DESIGN	12/10/13

PROJECT SITE:

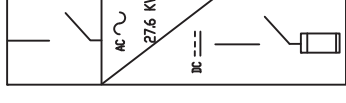
WDAT 1053  
 TERRA FRANCESCO  
 1801 S. CARLOS AVE.  
 ONTARIO, CA 92824

PROJ. MGR.	PROJ. ENGR.	CWC	SCALE:	NONE
DRAWING: DC ONE LINE DIAGRAM				
DRAWING NO. E-101				

## LEGEND



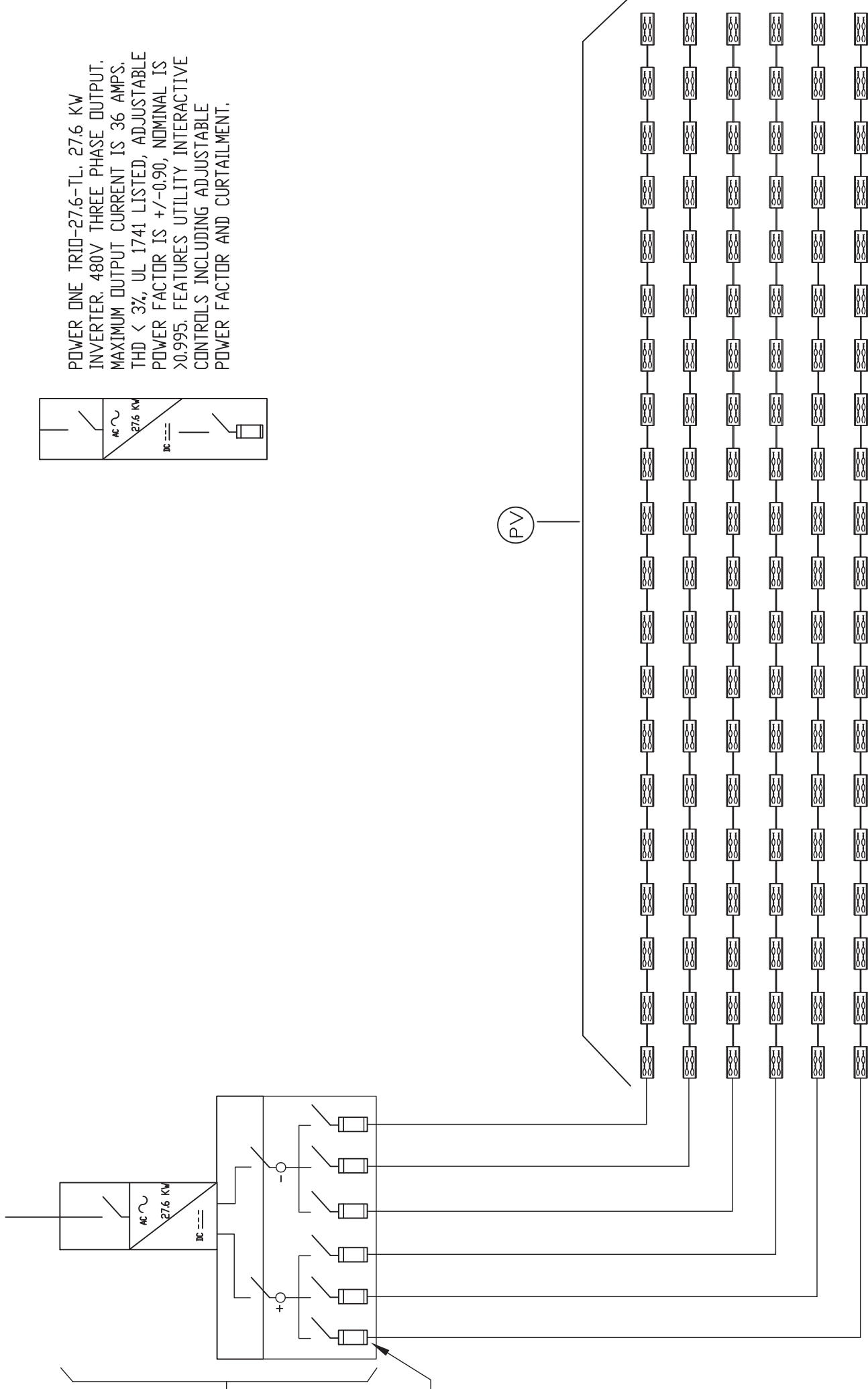
120 MODULES OR 36 KW DC of Solar (PV) PER INVERTER



POWER ONE TRID-27.6-TL, 27.6 KW INVERTER, 480V THREE PHASE OUTPUT, MAXIMUM OUTPUT CURRENT IS 36 AMPS, THD < 3%, UL 1741 LISTED, ADJUSTABLE POWER FACTOR IS +/-0.90, NOMINAL IS >0.995. FEATURES UTILITY INTERACTIVE CONTROLS INCLUDING ADJUSTABLE POWER FACTOR AND CURTAILMENT.

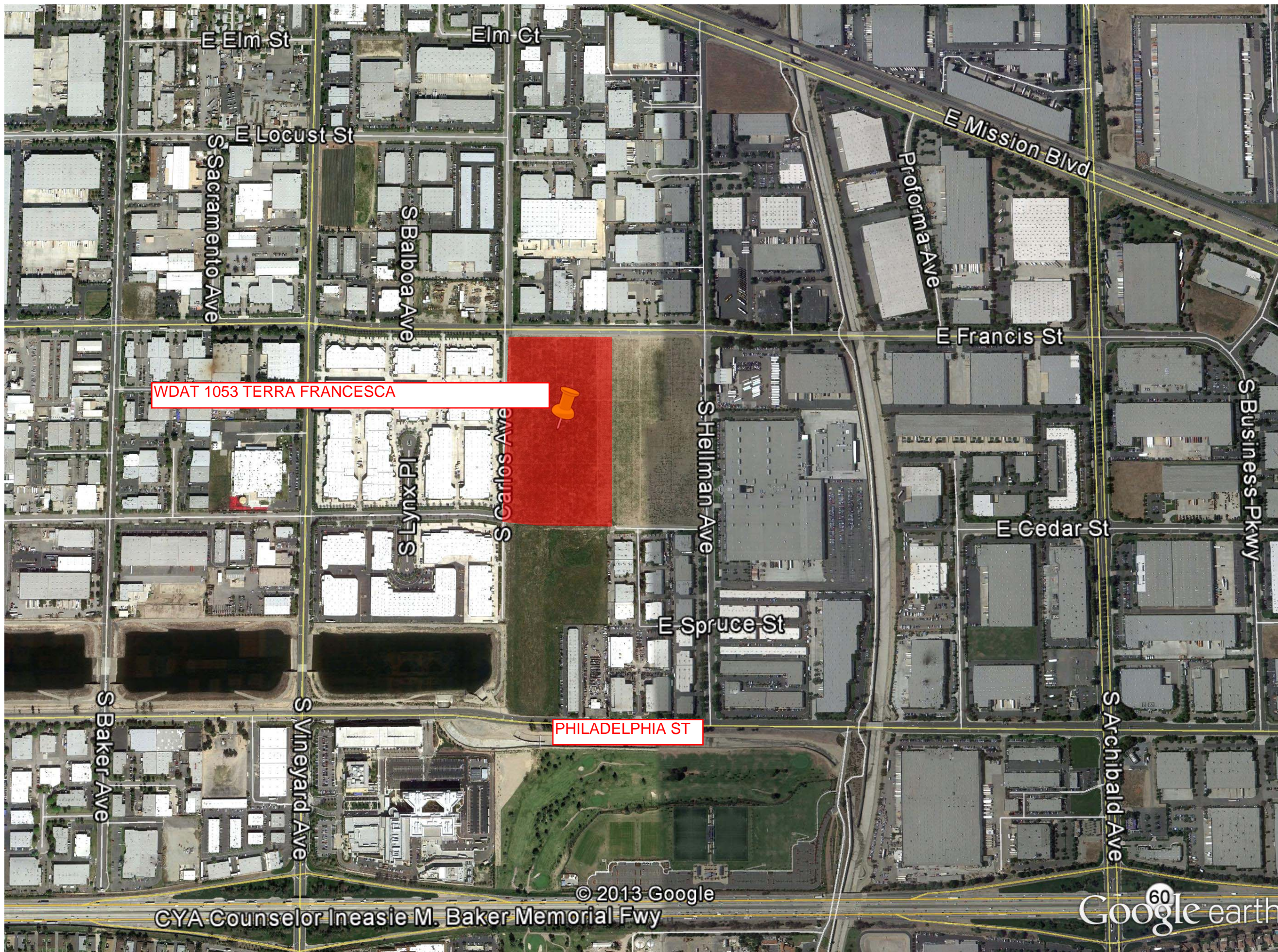
POWER ONE TRID-27.6-TL, 27.6 KW INVERTER, HAS BUILT IN FUSING FOR THREE POSITIVE AND THREE NEGATIVE INPUTS (BI-POLAR).

15A MAX FUSE



ARRAY INFORMATION	
MODULE TYPE	POLYCRYSTALLINE
TOTAL MODULE COUNT	6,480
MODULE STC-DC SIZE	300 WATTS
TOTAL STC-DC SIZE	1,944 MW
INVERTER	POWER ONE TRID-27.6-TL
INVERTER COUNT	54
TOTAL AC OUTPUT	1.49 MW

CONFIDENTIALITY STATEMENT: THIS DRAWING IS THE PROPERTY OF SOLVIDA ENERGY GROUP. THIS INFORMATION IS CONFIDENTIAL AND IS TO BE USED ONLY IN CONNECTION WITH WORK DESCRIBED BY SOLVIDA. NO PART IS TO BE DISCLOSED TO OTHERS WITHOUT WRITTEN PERMISSION FROM SOLVIDA ENERGY.





# LEGAL CHECK

File No. NCS-541486-9-CC

PARCEL 1:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 1 SOUTH, RANGE 7 WEST, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL, DATED SEPTEMBER 18, 1858.

EXCEPTING THEREFROM ONE-HALF (1/2) OF THE OIL AND MINERAL RIGHTS AS RESERVED IN THE DEED FROM GUY A. WHITE, ET UX, RECORDED APRIL 06, 1929 IN BOOK 485, PAGE 46, OFFICIAL RECORDS.

PARCEL 2:

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 1 SOUTH, RANGE 7 WEST, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL, DATED SEPTEMBER 18, 1858.

EXCEPTING THEREFROM ONE-HALF (1/2) OF THE OIL AND MINERAL RIGHTS AS RESERVED IN THE DEED FROM GUY A. WHITE, ET UX, RECORDED APRIL 06, 1929 IN BOOK 485, PAGE 46, OFFICIAL RECORDS.

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APN 0113-491-18-0-000

By: Adrian P Rivera  
05/04/2012 07:55:43 PM

\*\*\* [*End of Appendix B*] \*\*\*

**APPENDIX C**  
**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:

[Issuing Bank's Name] (the "Bank") establishes this Irrevocable Nontransferable Standby Letter of Credit (this "Letter of Credit") in favor of Southern California Edison Company, a California corporation (the "Beneficiary"), for the account of [Applicant's Name], a [Applicant's form of business entity and state of registration] (the "Applicant"), in connection with RAP ID# [ ] for the amount of [ ] United States Dollars (the "Available Amount"), effective immediately and expiring at 5:00 P.M., Los Angeles time, on [ ] (the "Expiration Date").

This Letter of Credit will be of no further force or effect upon the close of business on [ ] or, if such day is not a Business Day (as hereinafter defined), on the next Business Day. For the purposes of this Letter of Credit, "Business Day" means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the Friday following Thanksgiving.

Subject to the terms and conditions of this Letter of Credit, funds under this Letter of Credit are available to the Beneficiary by presentation in compliance on or before 5:00 P.M., Los Angeles time, on or before the Expiration Date, of the following:

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 to this Letter of Credit, 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 full or partial drawing under this Letter of Credit 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 is 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 are permitted under this Letter of Credit, and this Letter of Credit will remain in full force and effect with respect to any continuing balance; *provided, however*, that the Available Amount will be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment is void and of no force or effect. Banking charges are the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations may not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to in this Letter of Credit (except for Attachment A attached to this Letter of Credit), and any such reference may not be deemed to incorporate by reference any document, instrument or agreement except for Attachment A attached to this Letter of Credit.

The Bank acknowledges 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, will govern all matters with respect to this Letter of Credit.

[Issuing Bank's Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT A**  
**DRAWING CERTIFICATE**  
TO [ISSUING BANK NAME]

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT  
Reference No. [ ]

[Issuing Bank Name]  
[Issuing Bank Address]

Subject: Irrevocable Non-transferable Standby Letter of Credit

The undersigned [Authorized Individual's Name], an authorized representative of Southern California Edison Company (the "Beneficiary"), certifies to [Issuing Bank Name] (the "Bank") and [Applicant's Name] (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 one or more of the following reason(s):
  - [ ] A. 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 (as defined in the Letter of Credit) thereof ("Notice of Non-renewal"), and Applicant has failed to provide the Beneficiary with a replacement letter of credit satisfactory to Beneficiary in its sole discretion within 30 days following the date of the Notice of Non-renewal.
  - [ ] B. The Beneficiary has terminated that certain Solar Photovoltaic Program Power Purchase and Sale Agreement, dated [ ], between Applicant and Beneficiary (the "Agreement"), in accordance with Section [ ] of the Agreement.
  - [ ] C. The Beneficiary is entitled to retain a portion or all of the Collateral Requirement (as defined in the Agreement) under Section 4 of the Agreement.
  - [ ] D. The Letter of Credit will expire in fewer than twenty (20) Business Days (as defined in the Agreement) from the date hereof, and Applicant has not provided Beneficiary alternative collateral acceptable to Beneficiary.
  - [ ] E. The Beneficiary has not been paid any or all of the Applicant's payment obligations now due and payable under the Agreement.
2. Based upon the foregoing, the Beneficiary makes demand under the Letter of Credit for payment of [ ] United States Dollars, which amount does not exceed (i) the amount set forth in paragraph 1 above, and (ii) the Available Amount (as defined in the Letter of Credit) under the Letter of Credit as of the date hereof.
3. Funds paid pursuant to the provisions of the Letter of Credit must be wire transferred to the Beneficiary in accordance with the following instructions: [ ]

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: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\*\*\* [*End of Appendix C*] \*\*\*

**APPENDIX D**  
**FORECAST 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 (i) comply with SCE's instructions or the CAISO Tariff, as applicable; (ii) accommodate changes to their respective generation technology and organizational structure; and (iii) 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. Producer's Forecasting Procedures. Producer must meet all of the following requirements for Forecasting as specified below.
  - 2.1. No later than thirty (30) days before the Term Start Date, Producer shall provide SCE, via the Web Client, with a 30 day, hourly Forecast of either or both (i) capacity, in MW; or (ii) electric energy, in MWh, in either case as directed by SCE, for the thirty (30) day period commencing on the Term Start Date.
  - 2.2. If, after submitting the Forecast pursuant to Item 2.1, Producer learns that the Term Start Date will occur on a date and time other than that reflected on the Forecast, Producer shall provide an updated Forecast reflecting the new Term Start Date at the earliest practicable time but no later than 5:00 p.m. Pacific Prevailing Time ("PPT") on the Wednesday before the revised Term Start Date, if Producer has learned of the new Term Start Date by that time, but in no event less than three (3) Business Days before the actual Term Start Date.
  - 2.3. If the Web Client becomes unavailable, Producer shall provide SCE with the Forecast by e-mailing SCE.
  - 2.4. 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 CAISO Approved Meter or Check Meter; and (ii) limit hour-to-hour Forecast changes to no less than one hundred (100) kWh during any period when the Web Client is unavailable. Producer shall have no restriction on hour-to-hour Forecast changes when the Web Client is available.
  - 2.5. Commencing on or before 5:00 p.m. PPT of the Wednesday before the first week covered by the Forecast provided pursuant to Item 2.1 above and on or before 5:00 p.m. PPT every Wednesday thereafter until the Term End Date, Producer shall update the Forecast for the thirty (30) day period commencing on the Sunday following the weekly Wednesday Forecast update submission. Producer shall use the Web Client, if available, to supply this weekly update or, if the Web Client is not available, Producer shall provide SCE with the weekly Forecast update by e-mailing SCE.
  - 2.6. Forecasting Electric Energy.
    - 2.6.1. If Producer is Forecasting electric energy, in accordance with SCE's instructions, and Producer learns of any change in the total electrical energy output of a Generating Facility 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 (-) three percent (3%) from the energy reported in the most recent Forecast update, Producer 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 Producer at that time. If the Web Client is not available, Producer shall e-mail these changes to [presched@sce.com](mailto:presched@sce.com) and immediately follow up with a phone call to SCE's Day-Ahead Scheduling Desk in accordance with Appendix F; (ii) thirty (30) minutes before the commencement of any hour impacted by the change, if the change is known to Producer at that time; or (iii) if the change is not known to Producer by the timeframes indicated in (i) or (ii) above, within twenty (20) minutes after Producer became aware or, using best efforts, should have become 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 Appendix F.

## 2.7. Forecasting Available Capacity.

2.7.1. If (i) Producer is Forecasting available capacity, in accordance with SCE's instructions; (ii) Producer does not provide real-time communication of availability; (iii) the telecommunications path to obtain real-time data is inoperable; or (iv) instrumentation is providing faulty or incorrect data; and Producer learns of any change in the total available capacity of a Generating Facility 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 Producer is required to report under the provisions of the CAISO Tariff related to PIRP/EIRP and under other applicable provisions of the CAISO Tariff related to availability and outage reporting, then Producer shall provide an updated Forecast to SCE. This updated Forecast must be submitted to SCE via the Web Client by no later than:

2.7.1.1. 5:00 a.m. PPT on the day before any day impacted by the change, if the change is known to Producer at that time. If the Web Client is not available, Producer shall e-mail these changes to [presched@sce.com](mailto:presched@sce.com) and immediately follow up with a phone call to SCE's Day-Ahead Scheduling Desk in accordance with Appendix F;

2.7.1.2. Thirty (30) minutes before the commencement of any hour impacted by the change, if the change is known to Producer at that time; or

2.7.1.3. If the change is not known to Producer by the timeframes indicated in 2.7.1.1 or 2.7.1.2, within twenty (20) minutes after Producer becomes aware or, using best efforts, should have become aware of the event which caused the availability change, e-mail changes to realtime@sce.com and immediately telephone SCE's Real-time Operations Desk in accordance with Appendix F.

## 2.8. Producer's updated Forecast must reflect the following information:

2.8.1. The beginning date and time of the change;

2.8.2. The expected ending date and time of the event;

2.8.3. The expected availability, in MW (if so instructed by SCE);

2.8.4. The expected energy, in MWh (if so instructed by SCE); and

2.8.5. Any other information required by the CAISO as communicated to Producer by SCE.

## 3. SCE's Scheduling Responsibilities.

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

## 4. Producer's Outage Scheduling Requirements.

4.1. Producer 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 Appendix D] \*\*\*



**APPENDIX E**  
**TOU PERIODS AND ENERGY PAYMENT ALLOCATION FACTORS**

<u>TOU Periods</u>			
All listed times are Los Angeles time.			
<i>TOU Period</i>	<i>Summer Jun 1<sup>st</sup> – Sep 30<sup>th</sup></i>	<i>Winter Oct 1<sup>st</sup> – May 31<sup>st</sup></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>Energy Payment Allocation Factors</u>			
<i>Season</i>	<i>TOU Period</i>	<i>Calculation Method</i>	<i>Energy Payment Allocation Factor</i>
Summer	On-Peak	Fixed Value	1.11
	Mid-Peak	Fixed Value	1.13
	Off-Peak	Fixed Value	0.96
Winter	Mid-Peak	Fixed Value	1.02
	Off-Peak	Fixed Value	1.00
	Super-Off-Peak	Fixed Value	0.92

“Holiday” is defined as New Year’s Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, or 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 Appendix E] \*\*\*

**APPENDIX F  
NOTICE LIST**

<p><b>Kona Solar LLC</b> ("Seller")</p>	<p><b>SOUTHERN CALIFORNIA EDISON COMPANY</b> ("SCE")</p>
<p>All Notices are deemed provided in accordance with Section 12 if made to the applicable address(es), facsimile number(s) or e-mail address(es) provided below:</p>	<p>All Notices are deemed provided in accordance with Section 12 if made to the applicable address(es), facsimile number(s) or e-mail address(es) provided below:</p>
<p><b>Contract Sponsor:</b> Attn: Drew Torbin  Street: 4545 Airport Way City: Denver Phone: 303-567-5143 Facsimile: 303-567-5772</p>	<p><b>Contract Sponsor:</b> Attn: Vice President, Energy Contracts Street: 2244 Walnut Grove Avenue City: Rosemead, California 91770 Phone: (626) 302-1212 Facsimile: (626) 302-1103</p>
<p><b>Reference Numbers:</b> Duns: 078528814 Federal Tax ID Number: 45-5576988</p>	<p><b>Reference Numbers:</b> Duns: 006908818 Federal Tax ID Number: 95-1240335</p>
<p><b>Contract Administration:</b> Attn: Drew Torbin Phone: 303-567-5143 Facsimile: 303-567-5772</p>	<p><b>Contract Administration:</b> Attn: Director, Contract Management and Administration Phone: (626) 302-3126 Facsimile: (626) 302-3254</p>
<p><b>Forecasting:</b> Attn: Drew Torbin Phone: 303-567-5143 Facsimile: 303-567-5772</p>	<p><b>Generation Operations Center:</b> <u>Manager</u> Phone: (626) 302-3380  <u>Operations Desk</u> Phone: (626) 307-4453 or Phone: (626) 307-4410</p>
<p><b>Day-Ahead Forecasting:</b> Attn: Drew Torbin Phone: 303-567-5143  Facsimile: 303-567-5772</p>	<p><b>Day-Ahead Scheduling:</b> <u>Manager.</u>  Attn: Manager of Day-Ahead Operations Phone: (626) 302-3389 Facsimile: (626) 302-3409  <u>Scheduling Desk.</u> Phone: (626) 307-4425 Backup: (626) 307-4420 Fax: (626) 302-3409 Email: PreSched@SCE.com</p>

<b>Kona Solar LLC</b> (“Seller”)	<b>SOUTHERN CALIFORNIA EDISON COMPANY (“SCE”)</b>
<b>Real-Time Forecasting:</b> Attn: Drew Torbin Phone: 303-567-5143  Facsimile: 303-567-5772	<b>Real-Time Scheduling:</b>  <u>Manager.</u> Attn: Manager of Real-Time Operations Phone: (626) 302-3380 Facsimile: (626) 302-3409  <u>Operations Desk.</u> Phone: (626) 307-4453 Back-up: (626) 307-4410 Fax: (626) 302-3409 Email: RealTime@SCE.com
	<b>Short Term Planning:</b>
<b>Payment Statements:</b> Attn: Drew Torbin Phone: 303-567-5143 E-mail: atorbin@prologis.com	<b>Payment Statements:</b> Attn: Settlements & Operations Services Phone: (626) 302-3277 Facsimile:(626) 302-3276 Email: PPFDPowerSettle@SCE.com
<b>CAISO Costs and CAISO Sanctions and SCE Penalties:</b> Attn: Drew Torbin Phone: 303-567-5143 E-mail: atorbin@prologis.com	<b>CAISO Costs, CAISO Sanctions and SCE Penalties:</b> Attn: Power Supply Settlements and Operations Services Phone: (626) 302-3277 Fax: (626) 302-3276 Email: PPFDPowerSettle@SCE.com
<b>Payments:</b> Attn: Drew Torbin Phone: 303-567-5143 Facsimile: E-mail: atorbin@prologis.com	<b>Payments:</b> Attn: Power Supply Settlements and Operations Services Phone: (626) 302-3277 Fax: (626) 302-3276 Email: PPFDPowerSettle@SCE.com
<b>Wire Transfer:</b>	<b>Wire Transfer:</b> BNK: JP Morgan Chase Bank ABA: 021000021 ACCT: 323-394434
<b>Credit and Collections:</b> Attn: Drew Torbin Phone: 303-567-5143 E-mail: atorbin@prologis.com	<b>Manager of Credit and Collateral:</b> Attn: Manager of Credit and Collateral Phone: (626) 302-1129 Facsimile: (626) 302-5222

<b>Kona Solar LLC</b> (“Seller”)	<b>SOUTHERN CALIFORNIA EDISON COMPANY (“SCE”)</b>
<b>With additional Notices of an Event of Default or Potential Event of Default to:</b> Attn: Drew Torbin Phone: 303-567-5143 E-mail: atorbin@prologis.com	<b>With additional Notices of an Event of Default or Potential Event of Default to:</b> Attn: Manager SCE Law Department Power Procurement Section Phone: (626) 302-1212 Facsimile: (626) 302-1935
<b>Lender:</b> Not Applicable Attn: Phone: Facsimile: E-mail:	

\*\*\* [End of Appendix F] \*\*\*