BIORAM RIDER AND AMENDMENT

to the

RENEWABLE POWER PURCHASE AGREEMENT (RAM STANDARD CONTRACT)

Between

SOUTHERN CALIFORNIA EDISON COMPANY

and

PACIFIC ULTRAPOWER CHINESE STATION PREAMBLE

This BioRAM Rider and Amendment to the Agreement (as defined below) is made and effective as of the following date: October 18, 2016 ("Effective Date").

This Agreement is entered into between:

- (i) **Southern California Edison Company** ("SCE"), a California corporation, whose principal place of business is at 2244 Walnut Grove Avenue, Rosemead, California 91770, and
- (ii) **Pacific Ultrapower Chinese Station** ("Seller"), a California General Partnership, whose principal place of business is at 8755 Enterprise Drive, Jamestown, California 95327.

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

RECITALS

A. Pursuant to CPUC Resolution E-4770, SCE has been directed to hold a solicitation for contracts with facilities that can use forest fuel from high hazard zones to address an Emergency Proclamation issued by the Governor of the State of California using the Renewable Auction Mechanism (RAM) procurement process (the "BioRAM").

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- B. Concurrently herewith, SCE and Seller shall enter into that certain Renewable Power Purchase Agreement (as amended from time to time, the "Agreement") under which, among other things, Seller will sell to SCE, and SCE will purchase from Seller, Product upon commencement of the Term.
- C. The Parties seek to modify the Agreement in order to incorporate provisions related to BioRAM.

AGREEMENT

In consideration of the promises, mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, as set forth herein, the Parties agree to amend the Agreement as follows:

- 1. Section 1.01(i) is deleted and replaced with the following:
 - "(i) Fuel Resource Category: High Hazard Zone Fuel or, pursuant to Section 3.25(e)(ii) or Exhibit O, or Category 2 Biomass or Urban Wood Waste."
- 2. Section 1.03(a) and 1.03(b) are deleted and replaced with the following:
 - "(a) Subject to any extensions made pursuant to Sections 3.06(c) or 5.03, and further subject to Section 1.03(c), the Commercial Operation Date must be no later than the date that is thirty-six months after CPUC Approval ("Commercial Operation Deadline").
 - (b) Subject to Section 1.03(d), if Seller has not obtained Permit Approval on or before that date that is ninety (90) days before the date that is thirty-six (36) months from the date of CPUC Approval, then, upon SCE's receipt of Notice from Seller, which Notice must be provided at least sixty (60) days before the date that is thirty-six (36) months from the date of CPUC Approval, the Commercial Operation Deadline shall be extended six (6) months from the date that is thirty-six (36) 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 Seller's failure to take all commercially reasonable

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actions to apply for and meet all of its requirements and deadlines to obtain such Permit Approval."

- 3. Section 1.04 is deleted and replaced with the following:
 - "1.04 Term.
 - (a) The Term commences on the Commercial Operation Date determined in accordance with Section 2.02 and ends on the last day of the calendar month that is sixty (60) months (5 years) from the month of the Commercial Operation Date (the "Term").
 - (b) In the event that the Emergency Period extends beyond the initial Term set forth in Section 1.04(a) of this Agreement, SCE shall have the right to extend the Term of the Agreement for consecutive one year periods (the "Extended Term") until such time as the Emergency Period has expired; provided, however, in no event shall the Extended Term extend beyond the date that is (120) months from the month of the Commercial Operation Date.
- 4. Section 1.05(a) is deleted and replaced with the following:
 - "(a) Subject to Sections 1.05(b), 1.05(c)(i) and 1.05(d), to the extent a Fuel Resource Failure or an Event of Fuel Unavailability has not occurred, the Product Price is One Hundred Ten dollars (\$110.00) per MWh, escalated at Three percent (3.0%) per Term Year.
- 5. Section 1.05 is amended to add a new subsection (d) as follows:
 - "(d) Alternate Product Price. Subject to Seller's right to terminate this Agreement pursuant to Section 2.03(c), upon the occurrence of a Fuel Resource Failure or an Event of Fuel Unavailability, the Product Price shall be Eighty-Nine dollars and Twenty-Three cents (\$89.23) per MWh (the "Alternate Product Price")."
- 6. [Intentionally Deleted.]
- 7. Section 2.03(c) and 2.03(d) are deleted and replaced with the following:
 - "(c) <u>Termination Right of Seller</u>. Upon the occurrence of a Fuel Resource Failure or an Event of Fuel Unavailability, Seller shall have the right to terminate this

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Agreement on Notice, which termination shall be effective thirty (30) Business Days after the date such Notice is given to SCE.

(d) Uncured Defaults.

Upon the occurrence of an Event of Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 6.02.

(e) End of Term.

This Agreement automatically terminates at the end of the Term as set forth in Section 1.04 unless earlier terminated as provided in this Agreement."

- 8. Section 3.25 is deleted in its entirety and replaced with the following:
 - "3.25 Fuel Use Requirements; Fuel Source Certification.
 - (a) Seller hereby represents, warrants and covenants to SCE that throughout the Delivery Term, Seller shall satisfy the fuel requirements set forth in this Section 3.25 (the "Fuel Use Requirements").

Through the duration of the Emergency Period, Seller shall utilize High Hazard Zone Fuel, in the minimum thresholds set forth in the below table, to generate Product for sale to SCE and if applicable, Useful Thermal Energy Output from the Generating Facility to serve Site Host Load and Station Use ("Fuel Use"). Seller's Fuel Use shall increase annually in accordance with the operational year and the applicable percentage thresholds identified in the below table.

Operational Year	Minimum Fuel Use from High Hazard Zone Fuel (BDT)
2017	50%
2018	60%
2019 and beyond	80%

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- (b) Seller hereby covenants that upon the commencement of the Term and so long as SCE has not received Notice of an Event of Fuel Unavailability, Seller shall provide to SCE an attestation of the Generating Facility's compliance with the Fuel Resource Requirements for such calendar year in the form provided as Exhibit O (the "Quarterly Fuel Attestation"). The Quarterly Fuel Attestation shall be delivered to SCE no later than five (5) days after the last day of each calendar quarter during the Term ("Quarterly Fuel Attestation Due Date"). Upon Notice of a Fuel Resource Failure or an Event of Fuel Unavailability, Seller shall no longer be required to complete and deliver the Quarterly Fuel Attestation.
- (c) Seller hereby covenants that the information contained in its Quarterly Fuel Attestation shall be true, complete and correct. SCE shall have the right to request and review documentation upon which Seller's Quarterly Fuel Attestation is based.
- (d) If Seller (i) breaches any of the representation, warranties and/or covenants set forth in the Quarterly Fuel Attestation, (ii) fails to deliver the Quarterly Fuel Attestation by the Quarterly Fuel Attestation Due Date, or (iii) otherwise fails to comply with the Fuel Use Requirements in any calendar year as determined by SCE, based on: (x) the Quarterly Fuel Attestation and supporting documentation requested and received by SCE, if any, (y) SCE's inspection of the Generating Facility, or (z) SCE's reasonable determination that the information contained in any Quarterly Fuel Attestation does not reflect the actual Fuel Use at the Generating Facility for the prior contract year (each a, "Fuel Resource Failure"), Seller shall no longer receive the Product Price and the Alternate Product Price shall automatically take effect, retroactive to the beginning of the calendar year in which the Fuel Resource Failure occurred:
- (e) In the event that Seller is unable to obtain High Hazard Zone Fuel in sufficient quantities to meet the Fuel Use Requirements set forth in Section 3.25(a) (an "Event of Fuel Unavailability"), Seller shall have the right to either:
 - (1) Elect to terminate this Agreement pursuant to Section 2.03(c); or
 - (2) Elect to switch to the Fuel Resource Category designated in Section 1.01(i), upon which the Seller shall commence to receive the Alternate Product Price instead of the Product Price.

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- (f) Upon the occurrence of an Event of Fuel Unavailability, Seller shall provide SCE with Notice no later than thirty (30) days after the occurrence of any such Event of Fuel Unavailability. Such Notice shall indicate whether Seller has elected to terminate the Agreement or switch to the Fuel Resource Category designated in Section 1.01(i).
- (g) After the occurrence of an Event of Fuel Unavailability, and to the extent that Seller has not elected to terminate the Agreement pursuant to Section 3.25(e) above, Seller shall have the right to request that the Alternate Product Price revert back to the Product Price (a "Product Price Reversion"). Seller may request such Product Price Reversion by Notice and such Notice shall include evidence that demonstrates the following:
 - (1) The Event of Fuel Unavailability occurred as a result of circumstances beyond the control of Seller; and
 - (2) Seller has utilized High Hazard Zone Fuel at the Generating Facility in sufficient quantities to meet the Fuel Use Requirements set forth in Section 3.25(a) for an entire contract year.

If Seller is able to establish to SCE's reasonable satisfaction that Seller has met the criteria set forth in subsections (1) and (2) above, SCE shall grant the Product Price Reversion and Seller shall start to receive the Product Price, effective as of the beginning of the calendar year for which Seller was able to establish compliance with the Fuel Resource Requirements. Seller may only exercise the right to request a Product Price Reversion once during the Term of this Agreement.

9. Exhibit A is amended to include the following new definitions in the appropriate alphabetical order:

"Alternate Product Price" has the meaning set forth in Section 1.05(d).

"Category 2 Biomass" means biomass derived from a facility that is located on agricultural premises and utilizes the waste, residue or by-products of growing crops, raising livestock or growing horticultural products. Agricultural wastes

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include, but are not limited to, agricultural crop residues; fruits and vegetables; orchard and vineyard removal; and crop tree and vineyard prunings. Agricultural waste also includes waste, residues and by-products from agricultural drying, hulling, shelling and ginning operations as well as fresh fruit and vegetable packing operations.

"Emergency Period" shall mean the period of time within the Term of this Agreement in which the Emergency Proclamation, as made effective on October 30, 2015, to protect public safety and property from falling dead trees and wildfire is in effect.

"Extended Term" has the meaning set forth in Section 1.04(b).

"Event of Fuel Unavailability" has the meaning set forth in Section 3.25(e).

"Fuel Resource Failure" has the meaning set forth in Section 3.25(d).

"Fuel Resource Requirements" means, prior to the occurrence of an Event of Fuel Unavailability, those Fuel Use Requirements set forth in Section 3.25(a), and after the occurrence of an Event of Fuel Unavailability, those Fuel Use Requirements set forth in Section 3.25(e).

"Fuel Use" has the meaning set forth in Section 3.25(a).

"Fuel Use Requirements" has the meaning set forth in Section 3.25(a).

"High Hazard Zone Fuel" means tree waste from areas specifically identified by either the Department of Forestry and Fire Protection, the California Energy Commission, the California Natural Resources Agency, or the California Department of Transportation as high hazard zones for wildfire and falling trees.

"Product Price Reversion" has the meaning set forth in Section 3.25(e).

"Quarterly Fuel Attestation" has the meaning set forth in Section 3.25(b).

"Quarterly Fuel Attestation Due Date" has the meaning set forth in Section 3.25(b).

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"Site Host Load" means the electric energy produced by or associated with the Facility that serves electrical loads (that are not Station Use) of Seller or one or more third parties conducted pursuant to California Public Utilities Code Section 218(b).

"Urban Wood Waste" means pruned branches, stumps, whole trees from street and park maintenance, used lumber, trim, shipping pallets, and other debris from demolition and construction. The definition also includes wood found in the solid waste stream that is generated by municipal, commercial, industrial, agricultural, construction, and demolition practices."

10. Section 1.02 of Exhibit E is amended to replace the phrase "A = Product Price specified in Section 1.05 in \$/kWh (i.e., \$/MWh/1000)" with

"A = Product Price, or Alternate Product Price, specified in Section 1.05 in \$/kWh (i.e., \$/MWh/1000)"

- 11. Exhibits O is deleted in its entirety and replaced with a new Exhibit O, attached hereto.
- 12. Miscellaneous.
 - (a) <u>Reservation of Rights</u>. Each of the Parties expressly reserves all of its respective rights and remedies under the Agreement.
 - (b) <u>Legal Effect</u>. Except as expressly modified as set forth herein, the Agreement remains unchanged and, as so modified, the Agreement shall remain in full force and effect. Each of the Parties hereby represents and warrants that the representations contained in the Agreement are true on and as of the date hereof as if made by the Party on and as of said date.
 - (c) Governing Law. THIS BIORAM RIDER AND AMENDMENT 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

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RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS BIORAM RIDER AND AMENDMENT.

- (d) <u>Successors and Assigns</u>. This BioRAM Rider and Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.
- (e) <u>Authorized Signatures; Notices</u>. Each Party represents and warrants that the person who signs below on behalf of that Party has authority to execute this BioRAM Rider and Amendment on behalf of such Party and to bind such Party to this BioRAM Rider and Amendment. Any written notice required to be given under the terms of this BioRAM Rider and Amendment shall be given in accordance with the terms of the Agreement.
- (f) <u>Effective Date</u>. This BioRAM Rider and Amendment shall be deemed effective as of the Execution Date.
- (g) <u>Further Agreements</u>. This BioRAM Rider and Amendment shall not be amended, changed, modified, abrogated or superseded by a subsequent agreement unless such subsequent agreement is in the form of a written instrument signed by the Parties.
- (h) <u>Counterparts; Electronic Signatures</u>. This BioRAM Rider and Amendment may be executed in one or more counterparts, each of which will be deemed to be an original of this BioRAM Rider and Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this BioRAM Rider and Amendment and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF), or by other electronic means shall constitute effective execution and delivery of this BioRAM Rider and Amendment as to the Parties and may be used in lieu of the original BioRAM Rider and Amendment for all purposes.

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IN WITNESS WHEREOF, the Parties hereto have caused this BioRAM Rider and Amendment to be executed as of the Execution Date.

PACIFIC ULTRAPOWER CHINESE STATION,

a California General Partnership.

Steve Gross

President and CEO

General Manager, IPGC Chinese Station

Inc., a Maryland Corporation

SOUTHERN CALIFORNIA EDISON COMPANY,

a California corporation.

By:

Colin Cushnie

Vice President, Energy Procurement &

Management

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EXHIBIT O

Form of Quarterly Fuel Attestation

[Seller's Letterhead]
[Date]

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

Attn: Vice President, Energy Procurement & Management

Subject: Renewable Power Purchase Agreement ("PPA") by and between Southern California

Edison Company ("SCE") and [Insert Seller's full legal name], a [Insert Seller's

form of entity and state of registration] ("Seller") – [Quarterly Fuel

Attestation/Yearly Fuel Attestation]

Dear Sir or Madam:

Pursuant to Section 3.25 of the PPA, Seller submits to SCE this Quarterly Fuel Attestation for the [*Insert Quarter*] of [*Insert Year*] (the "Quarter"). Seller hereby represents and warrants that:

- 1. This Quarterly Fuel Attestation [is] [is not] submitted on or prior to the Quarterly Fuel Attestation Due Date.
- 2. The fuel resource(s) Seller used or caused to be used to operate the Generating Facility during the Quarter (Fuel Use) [met] [did not meet] the Fuel Use Requirements.
- 3. The High Hazard Zone Fuel used during the Quarter was from [Insert name of high hazard zone from which the High Hazard Zone Fuel was procured.]
- 4. Fuel Use during the Quarter was as set forth in Attachment A. *{SCE Comment: Seller should utilize the form of spreadsheet attached hereto as Attachment A}*

Capitalized terms used but not otherwise defined in this letter have the meanings set forth in the PPA.

Very truly yours,

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

Southern California Edison

Confidential Information

RAP ID # 1242, Pacific Ultrapower Chinese Station

[Insert Seller's full legal name, form of entity and state of registration]

By:	 	
Name:	 	
Title:		

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Attachment A

Quarterly and Annual Fuel Attestations (Calendar Year)

Instructions: 1. Minimum HHZ Fuel Use percentages will be based on weight of fuel (bone dry tons)

- 2. For Heat Content of Other Fuel, use weighted average of weight.
- 3. Form must be completed by authorized official of seller.
- $\textbf{4.} \ \textbf{Submit this form to SCE Contract Manager within thirty (30) days after end of each calendar quarter.}$

Project Name	
RAP ID #	
Calendar Year	

		HHZ Fuel Zone	Fuel Delivered	High Hazard Zone
		Designation	(bone dry tons)	Fuel Use Percentage
	HHZ Fuel Zone #1			
	(if necessary) #2			
	(if necessary) #3			
	(if necessary) #4			
1c+	(if necessary) #5			
1st	(if necessary) #6			
Quarter	(if necessary) #7			
	(if necessary) #8			
	(if necessary) #9			
	(if necessary) #10			
	Other Fuel			
	HHZ Fuel Zone #1			
	(if necessary) #2			
	(if necessary) #3			
	(if necessary) #4			
2nd	(if necessary) #5			
Quarter	(if necessary) #6			
Quarter	(if necessary) #7			
	(if necessary) #8			
	(if necessary) #9			
	(if necessary) #10			
	Other Fuel			
	HHZ Fuel Zone #1			
	(if necessary) #2			
	(if necessary) #3			
	(if necessary) #4			
3rd	(if necessary) #5			
Quarter	(if necessary) #6			
Quarter	(if necessary) #7			
	(if necessary) #8			
	(if necessary) #9			
	(if necessary) #10			
	Other Fuel			
	HHZ Fuel Zone #1			
	(if necessary) #2			
	(if necessary) #3			
	(if necessary) #4			
4th	(if necessary) #5			
Quarter	(if necessary) #6			
Quarter	(if necessary) #7			
	(if necessary) #8			
	(if necessary) #9			
	(if necessary) #10			
	Other Fuel			
Calendar	HHZ Fuel		C	
Year Total	Other Fuel		C	
. car rotar	Total Fuel		C	

Other Fuel(s	s): [Itemize and	define]		

RAP ID # 1242, Pacific Ultrapower Chinese Station

*** End of EXHIBIT O **

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