

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 2, 2012

**Advice Letters 4020-E and 4020-E-A**

Brian K. Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Renewable Auction Mechanism Power Purchase Agreements and Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 4020-E and 4020-E-A are effective April 29, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division

March 30, 2012

**Advice 4020-E**  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Advice Letter Filing of PG&E's Renewable Auction Mechanism Power Purchase Agreements**

## **I. Purpose**

Pursuant to Decision (“D.”) 10-12-048 (the “Decision”) and Resolution E-4414 (the “Resolution”), Pacific Gas and Electric Company (“PG&E”) hereby submits this Advice Letter, seeking approval of four power purchase agreements (“PPAs”) executed between PG&E and four sellers resulting from PG&E’s first Renewable Auction Mechanism (“RAM”) Program auction. Consistent with Ordering Paragraph 3 of the Decision and Ordering Paragraph 4 of the Resolution, PG&E submits these PPAs for Commission approval via a Tier 2 advice letter to establish PG&E’s ability to recover the cost of payments made pursuant to the PPAs through its Energy Resource Recovery Account (“ERRA”).

## **II. Background**

### **A. Decision 10-12-048 and Resolution E-4414**

#### **1. Purpose of RAM Procurement Process**

On December 18, 2010, the Commission approved the RAM Program as a new procurement mechanism for Renewables Portfolio Standard (“RPS”)-eligible projects of up to 20 megawatts (“MW”) in size. The Commission ordered the three investor-owned utilities (“IOUs”) to procure up to a program total of 1,000 MW of RPS-eligible energy. The Commission directed the IOUs to hold four auctions over two years, with the first auction closing no later than November 15, 2011, and subsequent auctions held every six months thereafter. Results of PG&E’s first RAM solicitation are discussed in further detail in Section III below.

## 2. IOU Procurement Obligations Under D.10-12-048 and Resolution E-4414

Pursuant to the Decision and the Resolution<sup>1</sup>, PG&E's procurement obligation under the RAM Program is 420.9 MW over the course of the two year program, or approximately 105 MW per auction.

### III. RAM Solicitation Summary

#### A. Solicitation Process

##### 1. Process Overview

PG&E notified over 1,800 market participants when the first RAM solicitation was launched on September 23, 2011 and followed the timeline in the table below. PG&E's overall procurement objective for the initial RAM solicitation was 105 MW from new or existing generating facilities that were in the 1 to 20 MW size range.

<b>Date/Time</b>	<b>Event</b>
September 23, 2011	PG&E launched the initial RAM RFO
October 28, 2011	Bidders' Conference
November 1, 2011	PG&E starts accepting offers
November 15, 2011	Deadline for Participants to submit Offers
January 31, 2011	PG&E selects offers. PG&E notifies Selected Participants and any Waitlisted Participants.
February 9, 2012	PG&E notifies Waitlisted Participants they have been selected.
February 10, 2012	Submittal of Signed PPA and required documentation by Selected Participants. Waitlisted Participants must notify PG&E that they want to remain on the waitlist.
February 21, 2012	Selected Waitlisted Participants wishing to continue participating in RAM RFO submit signed PPA and required documentation.
February 27, 2012	PG&E executes RAM PPAs
March 30, 2012	Advice Letter Filing for executed RAM PPAs

PG&E received 122 offers from 52 counterparties totaling 1,470 MW or 3,586 GWh annually. The offers were separated into the three product categories: baseload products;

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<sup>1</sup> Resolution at p. 56

as-available-non-peak products; and as-available-peak products. The total targets for each of these product categories were 35 MW each, plus or minus 20 MW per product category.

PG&E screened all offers on a “pass-fail” basis against the eligibility requirements which were project size, location, interconnection, site control, experience, commercialized technology and commercial operation date. PG&E eliminated five offers as non-conforming, one from the baseload category and four from the as-available-on-peak category, for not meeting the interconnection requirements.

Offers were selected using a largely formulaic process. PG&E considered all conforming offers. Offers were evaluated based on product cost. PG&E levelized the bid prices after applying the applicable Time of Delivery (“TOD”) factors and applying the costs taken from the interconnection study associated with the reliability network upgrades required for energy only status. Consistent with the Resolution, as a second criterion, PG&E took Supplier Diversity status into consideration. Finally, Seller Concentration was another factor. PG&E did not limit the number of Offers a participant could submit; however pursuant to the Resolution, PG&E did not award more than 20 MW to any single Participant.

Using the evaluation criteria described above, PG&E selected the most competitive offers from each of the product categories with the goal of selecting 35 MW of the lowest cost offers per product category. PG&E did not select those offers that did not appear competitive with the market, using 2011 RPS Request for Offer (“RFO”) offers, recently executed contracts, and other offers under consideration as benchmarks.

PG&E received four eligible proposals in the baseload category. PG&E selected Ormat’s Mammoth G3 proposal for 14 MW, which is less than the product category minimum. A discussion of the alternatives considered and decision making process is provided in Confidential Appendix C.

PG&E received three offers in the as-available-non-peak product category. PG&E selected CalWind Resources Incorporated, Wind Resource I project for a total of 9 MW. This offer was not enough to meet the the product category minimum. A discussion of the alternatives considered and decision making process is provided in Confidential Appendix C.

PG&E received 110 eligible offers in the as-available-peak product category. PG&E executed PPAs with Silverado’s Western Blue Sky Ranch A and TUUSO Energy, Western Antelope Project, which are both 20 MW projects. These two products combined make up the total capacity of 40 MW. A more detailed description of the selection process is contained in Confidential Appendix C.

PG&E met with members of the Procurement Review Group (“PRG”) on January 19, 2012. Members of the PRG did not object to PG&E’s offer selection recommendation.

All Participants were notified of their offer status by email. Participant’s with selected offers had ten (10) days to submit the signed PPA and other required documents to PG&E.

PG&E is requesting a total capacity of 63 MW for Commission approval for the four executed RAM contracts (see Section C.2. below for the summary of solicitation selections.)

PG&E’s executed PPAs are less than the product category targets due to the lack of competitiveness of the baseload and as-available off-peak product categories. A more detailed demonstration of the lack of competitiveness of these product categories is included in Confidential Appendix C.

## **2. Auction Design**

After review by the Independent Evaluator, all documents for the solicitation, including the Solicitation Protocol document, the PPA and an Excel offer form with detailed instructions were posted at [www.pge.com/rfo](http://www.pge.com/rfo). The Excel offer form included an electronic signature whereby the Seller agreed to abide by the terms and conditions of the Protocol and to maintain confidentiality regarding their offer.

The Protocol document included the guidelines for eligibility, overall procurement goals and a description of the selection process. This document was originally filed with the Commission on February 25, 2011 and conditionally approved on August 18, 2011. The final Protocol was filed by PG&E on September 19, 2011. Primary guidelines for eligibility were:

- 1) Project size (1-20 MW)
- 2) Project location: Interconnection to PG&E, SCE or SDG&E transmission or distribution system
- 3) Seller has completed Phase 1 study or Fast Track screens
- 4) Seller has previous experience constructing a project of at least 1 MW

PG&E held the Bidders’ Conference on October 28, 2011, with approximately 145 people attending in person and another 85 people attending via the internet and or by the phone. The Bidders’ Conference materials and an audio file of the conference are posted on PG&E’s RAM website: [www.pge.com/rfo/RAM](http://www.pge.com/rfo/RAM).

The Bidders' Conference covered the following major subjects: (1) introduction of the RAM Program; (2) eligibility requirements to participate in the solicitation; (3) an overview of the PPA; (4) the evaluation methodology used to select winning projects; (5) guidelines to submitting a successful proposal (6) the offer submittal process and the required offer submission forms; (7) offer form structure; (8) RAM Program Map; (9) Generation Interconnection Process; and (10) questions from conference attendees. Thirty-six questions were asked by potential Participants which PG&E maintains the question and answer section on PG&E's RAM website. In addition, PG&E responded to email Q&A from bidders both before and after the Bidder's Conference, and posted questions of general interest on the website.

### 3. RAM Contract

A summary of some of the terms and conditions in PG&E's approved RAM standard contract used in the first RAM solicitation is included in the chart below. *See Appendix B* for a complete copy of PG&E's RAM standard contract.

Key Contract Term	PG&E RAM PPA
Delivery Term	10, 15 and 20 years
Eligibility	Existing and new projects within the IOUs service territories
Contract Quantity	Participants in the RAM Program solicitation are asked to provide a best estimate of annual deliveries as part of an Offer, which serves as a basis for the Guaranteed Energy Production ("GEP").
Online Date	Full capacity must be online within 18 months of CPUC approval, subject to the excused delays for permitting, transmission and force majeure..
Performance Standards/ Requirements: Minimum production requirement	GEP = 140% of contract quantity measured over a two year period
Scheduling Coordinator ("SC")	PG&E is SC.
Metering	Required to have a CAISO approved revenue meter.
WREGIS	<p>Seller shall, at its sole expense but subject to the Compliance Cost Cap (applicable to change-in-law only), take all action to ensure all WREGIS Certificates associated with all RECs corresponding to the Delivered Energy are issued and tracked for Buyer's sole benefit.</p> <p>Seller must transfer all RECs associated with Delivered Energy, even if the Delivered Energy is not accepted and/or paid for because it is above the Contract Capacity or, for Baseload Product, paid for at a lower price because it is in excess of the scheduled energy (beyond tolerance band).</p>

Excess Sales	Seller has option to contract as full buy-sell or excess sales
Curtailment	<p>Seller must curtail in response to CAISO, reliability coordinator, or Participating Transmission Owner curtailment. There is no limitation on curtailment of this type and no payment.</p> <p>Buyer may direct curtailment for any reason, up to 100 hours per year. Buyer will pay Seller contract price for energy deemed delivered.</p>
Force Majeure	<p>“Force Majeure” includes any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the party invoking force majeure’s reasonable control and the party has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations and such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby.</p> <p>(a) Subject to the foregoing, events that could qualify as Force Majeure include, but are not limited to, the following:</p> <p>(i) flooding, lightning, landslide, earthquake, or unusual or extreme adverse weather-related events;</p> <p>(ii) war (declared or undeclared), riot or similar civil disturbance;</p> <p>(iii) strikes, work stoppage or other labor disputes; or</p> <p>(iv) emergencies declared by the Transmission Provider successor or regional transmission organization or any state or federal regulator or legislature requiring a forced curtailment of the Project or making it impossible for the Transmission Provider to transmit Energy</p> <p>(b) Force Majeure shall not be based on:</p> <p>(i) Buyer’s inability economically to use or resell the Product purchased hereunder;</p> <p>(ii) Seller’s ability to sell the Product at a price greater than the price set forth in this Agreement;</p> <p>(iii) Seller’s inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Project;</p> <p>(iv) Seller’s inability to obtain sufficient fuel, power or materials to operate the Project, except if Seller’s inability to obtain sufficient fuel, power or materials is caused solely by an event of Force Majeure;</p> <p>(vi) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure;</p>

	<p>(vii) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, the EPC Contractor or subcontractors thereof or any other third party employed by Seller to work on the Project;</p> <p>(viii) any equipment failure except if such equipment failure is caused solely by an event of Force Majeure (ix) a Party's inability to pay amounts due to the other Party under this Agreement.</p>
Failure to Meet Guaranteed Commercial Operation Date	Six-month extension allowed in the event of Permitting Delay, Transmission Delay or Force Majeure. Notice of Permitting Delay or Transmission Delay required no later than 6 months after Effective Date. Notice of Force Majeure due as soon as possible. PG&E is seeking the modification to extend the six-month period another six-months for a total of twelve months in Advice Letter 4000-E.
Confidentiality	<p>In general, non-public terms of the Agreement shall not be disclosed except to Affiliates, to Buyer's Procurement Review Group, in order to comply with any applicable law, regulation, or any exchange, control area or CAISO rule. Permitted disclosures expanded to include the number of</p> <p>bids per company, project size, contract capacity, and the achievement of project milestones.</p>
Construction Start and Commercial Operation Certification Forms and Procedures	The Construction Start and Commercial Operation Certification Forms and Procedures are provided.
Credit—Project Development Security	<p>Sellers to post project development security prior to commercial operation:</p> <p>1-5 MW: \$20/kw</p> <p>5-20 MW: \$60/kw (as-available), \$90/kw (baseload)</p>
Credit—Delivery Term Security	<p>Sellers to post delivery term security for the delivery term.</p> <p>1-5 MW: \$20/kw</p> <p>5-20 MW: 5% of expected contract revenues</p>

## B. Valuation Process

As noted in Section III.A.1 above, consistent with the Decision and the Resolution, offers were evaluated based on product price. PG&E leveled the bid prices after applying the applicable TOD factors and applying the network upgrade costs. Additionally, consistent with the Resolution, PG&E also considered Supplier Diversity and Seller Concentration. *See Confidential Appendix C for further details.*



## C. Solicitation Results

### 1. Summary of Solicitation Participation

Appendix G contains information on the results of PG&E's first RAM solicitation and Appendix H includes the location of the bids by county as required by the Decision and Resolution.

### 2. Summary of Solicitation Selections

The executed RAM PPAs are summarized in the chart below. For further information please refer to Appendix G :

Seller	Technology	Capacity (MW)	Location	Estimated Annual Deliveries (GWh)	Commercial Online Date (COD)	Term
Ormat Nevada, Inc. Mammoth One, LLC	Geothermal	14	Mammoth Lakes	98	1/1/2013	20
CalWind Resource, Inc.	Wind	9	Tehachapi	15	1/1/2013	10
Silverado Power Western Antelope Blue Sky Ranch A, LLC	Solar PV	20	Lancaster	48	11/1/2013	20
TUUSO Energy, LLC TA-Acacia	Solar PV	20	Los Angeles County	53	11/1/2013	20

## D. IOU Observations and Lessons Learned from the RAM Solicitation

Based on the results of PG&E's first RAM solicitation, PG&E submitted Advice Letter 4000-E ("Advice Letter") seeking modifications to the product allocations to reflect lessons learned from the first RAM Program Solicitation. PG&E proposes changing the product allocations from 35 MW from each of the three product categories to 85 MW for the peaking as-available category; 10 MW for the non-peaking as-available category; and 10 MW for the baseload category. PG&E's modified product allocations reflect the market information PG&E received in its first RAM Program solicitation. In addition to this proposal that was included in the Advice Letter, PG&E is also proposing to allocate the unsubscribed amounts in the baseload and as-available off-peak categories from the

first RAM solicitation to the as-available on peak bucket. Assuming PG&E's proposal to reallocate is adopted, the resulting targets will be 10 MW each for as-available off-peak and baseload, and 127 MW for as-available on-peak. If PG&E's proposal to reallocate is not adopted, the resulting targets for the second RAM solicitation will be 35 MW each for as-available off-peak and baseload, and 77 MW for as-available on-peak.

In the Advice Letter, PG&E also requested an extension to the regulatory delay period in commercial online date from six months to twelve months, as PG&E believes that a twelve (12) month extension is more appropriate than a six (6) month extension for the RAM Program. This will give developers additional time, if necessary, to achieve commercial operation but will not result in unreasonably long periods between PPA approval and the latest possible commercial online date.

A Draft Resolution was issued on Advice Letter 4000-E on March 20, 2012 and is scheduled to be addressed at the Commission's April 19, 2012 meeting.

#### **E. RAM Program Forum**

PG&E intends to hold its first RAM Program Forum on May 16, 2012 and proposes the following agenda items:

- Introduction
- Solicitation Results
- Potential need to define non-competitive bids
- Survey Results
- IE Report
- Project Eligibility / Viability Screens
- PPA/Program Updates Under Consideration for November 2012 RAM Solicitation
- Seller experience using interconnection maps
- Seller experience using contracts
- Next Steps and Closing Remarks

PG&E is also proposing the following schedule for the second RAM Solicitation:

- May 31, 2012: Proposed offers due
- July 31, 2012: Bidder Notification Date

#### **IV. Request for Commission Approval**

PG&E requests the Commission approve the RAM Program PPAs through an Energy Division disposition letter issued within 30 days of the filing of this Advice Letter (by April 29, 2012), including adoption of the following findings of fact and conclusions of law:

1. Each of the RAM Program PPAs should be approved in its entirety, including payments to be made by PG&E pursuant to each PPA, subject to the Commission's review of PG&E's administration of the PPA;
2. A finding that that the selection of the RAM Program PPAs was consistent with PG&E's approved RAM Program Solicitation protocol, and that the terms of each PPA, including the price of delivered energy, are reasonable and prudent;
3. A finding that any procurement pursuant to the RAM Program PPAs constitutes procurement from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation or target that it may have to procure eligible renewable energy resources pursuant to the California RPS (Public Utilities Code Section 399.11 et seq.), D.03-06-071, D.06-10-050, D.10-12-048, the Resolution, or other applicable law; and
4. A finding that all procurement and administrative costs, as provided by Public Utilities Code section 399.14(g), associated with the RAM Program PPAs shall be recovered in rates and all of the utility's costs under the RAM PPAs shall be recovered through PG&E's Energy Resource Recovery Account and to recover any stranded costs consistent with D.08-09-012.
5. A finding that PG&E can allocate the unsubscribed amounts in the baseload and as-available off-peak categories from the first RAM solicitation to the as-available on peak bucket in the second RAM solicitation.

#### **V. Request for Confidential Treatment**

In support of this Advice Letter, PG&E has provided the following confidential information: the executed RAM PPAs and other information that more specifically describes the rights and obligations of the parties, and the confidential results of the solicitation. This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006, Administrative Law Judge's Ruling Clarifying Interim

Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.

Confidential Attachments:

Confidential Appendix A: Solicitation Data and Project Development Milestones for Executed Contracts (Redacted version included with public filing)

Confidential Appendix C: Valuation Process Summary

Confidential Appendix D: Analysis of Customer Benefits

Confidential Appendix E: Independent Evaluator Report (Redacted version included with public filing)

Confidential Appendix F: Executed Contracts

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically any of which must be received no later than **April 19, 2012**, which is twenty days from the date of this filing. The protest must state the grounds upon which it is based, including such items and financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, CA, 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of the protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest should also be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

## VI. Tier Designation

PG&E is designating this as a Tier 2 Advice Letter, in accordance with D.10-12-048 and the Resolution.

## VII. Effective Date

Accordingly PG&E requests that the Energy Division issue a disposition approving PG&E's RAM Program PPAs within the initial review period, which will expire within 30 days of the filing of this Advice Letter (by April 29, 2012). Pursuant to General Order 96-B, the advice letter will be effective upon approval.

## VIII. Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.11-05-005. Address changes to the General Order 96-B list and electronic approvals should be directed to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President – Regulation and Rates

cc: Paul Douglas - Energy Division  
Sean Simon – Energy Division  
Jaclyn Marks – Energy Division  
Adam Schultz – Energy Division  
Service List for R.11-05-005

**Limited Access to Confidential Material:**

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of, among other items, the contracts themselves and price information of a proposed RPS-eligible RAM contract, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

## Attachments:

Confidential Appendix A: Solicitation Data and Project Development Milestones for Executed Contracts (Redacted version included with public filing)

Appendix B: PG&E's RAM Standard Contract

Confidential Appendix C: Valuation Process Summary

Confidential Appendix D: Analysis of Customer Benefits

Confidential Appendix E: Independent Evaluator Report (Redacted version included with public filing)

Confidential Appendix F: Executed Contracts

Appendix G: Summary of Solicitation Participation

Appendix H: Location of Bids

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Meredith Allen and Kimberly Chang

Phone #: (415) 973-2368 and (415) 972-5472

E-mail: meae@pge.com and kwcc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4020-E**

Tier: **2**

Subject of AL: **Advice Letter Filing of PG&E's Renewable Auction Mechanism Power Purchase Agreements**

Keywords (choose from CPUC listing): Contracts, Portfolio

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-12-048, Resolution E-4414

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Sandra J. Burns (415) 972-1627

Resolution Required?  Yes  No

Requested effective date: Upon Commission Approval

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Ave.,  
San Francisco, CA 94102  
E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company  
Attn: Brian Cherry  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177  
E-mail: PGETariffs@pge.com**

**DECLARATION OF SANDRA J. BURNS  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN  
ADVICE LETTER 4020-E  
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Sandra J. Burns, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 1985. I am a principal in the Renewable Energy group in the Energy Procurement department within PG&E. I am responsible for managing PG&E's Renewable Auction Mechanism and PG&E's Renewables Portfolio Standard solicitations and negotiating power purchase agreements with counterparties in the business of producing electric energy. In carrying out these responsibilities, I have acquired knowledge of such sellers in general and, based on my experience in dealing with facility owners and operators, I am familiar with the types of data and information about their operations that such owners and operators consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendix A, C, D (including confidential attachment), E and F to PG&E's Advice Letter 4020-E, submitted on March 30, 2012.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes information that should be protected under General Order 66-C. The matrix also specifies why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOIU Matrix for that type of



data or information (where applicable); (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that to the best of my knowledge, the foregoing is true and correct. Executed on March 30, 2012, at San Francisco, California.

  
SANDRA J. BURNS

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
Advice Letter 4020-E  
March 30, 2012**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Appendix A	Y	Item VIII B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	<p>This Appendix contains confidential net market value information from the first RAM Solicitation. Disclosure of this information would provide valuable market sensitive information to competitors. It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other counterparties in other renewables programs.</p>	<p>For information covered under Item VIII B), remain confidential for three years after winning bidders selected.</p>

**Document: Advice Letter 4020-E**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)**  
**Advice Letter 4020-E**  
**March 30, 2012**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, Appendix I to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Appendix C	Y	Item VIII B) Specific quantitative analysis involved in scoring and evaluation of participating bids.  Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	This Appendix contains the confidential summary and discussion of PG&E's valuation and selection process. Disclosure of this information would provide valuable market sensitive information to competitors. It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other counterparties in other renewables programs.	For information covered under Item VIII B), remain confidential for three years after winning bidders selected.  For information covered under un-numbered category following VII G), remain confidential for three years after the commercial operation date.

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)**  
**Advice Letter 4020-E**  
**March 30, 2012**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix I to D.06-06-066 (Y/N).	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	Length of Time
Appendix D (including confidential attachment)	Y	Item VII G) Renewable Resource Contracts under RPS program – Contracts without SEPs  Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.  Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	<p>For information covered under Item VII G) remain confidential for three years after the commercial operation date, or one year after expiration (whichever is sooner).</p> <p>For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval.</p> <p>For information covered under Item VIII B), remain confidential for three years after winning bidders selected.</p> <p>For information covered under un-numbered category following VII G), remain confidential for three years after the commercial operation date.</p>

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)**  
**Advice Letter 4020-E**  
**March 30, 2012**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Appendix E	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs  Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.  Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	This Appendix contains the Independent Evaluator Report which includes confidential information on the bids and bid evaluations, and analyzes the confidential terms of the PPAs. Disclosure of this information would provide valuable market sensitive information to competitors.	For information covered under Item VII G) and un-numbered category following VII G), remain confidential for three years after the commercial operation date.  For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval.  For information covered under Item VIII B), remain confidential for three years after winning bidders selected
Appendix F	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	This Appendix contains the PPAs for which PG&E seeks approval in the Advice Letter filing. Disclosure of the PPAs would provide valuable market sensitive information to competitors. Furthermore, the counterparties to the PPAs have an expectation that the terms of the PPAs will remain confidential.	For information covered under Item VII G), remain confidential for three years after the commercial operation date, or one year after expiration (whichever is sooner).

## **Appendix A**

**Solicitation Data and Project Development Milestones for  
Executed Contracts (Redacted version included with public  
filing)**

**REDACTED IN PART**

**Table 1. Overview of first RAM RFO**

	<b>Seller's Name</b>	<b>Number of bids submitted</b>	<b>Number of bids shortlisted</b>	<b>Number of contracts</b>
1	AES Solar Power, LLC	1	N/A	
2	Annedale Solar, LLC	1	N/A	
3	Aurich Holdings LLC	1	N/A	
4	Avalon Development	1	N/A	
5	BAP Power Corporation/ S-Energy	5	N/A	
6	Borrego Solar Systems, Inc.	1	N/A	
7	BP Solar Energy North America LLC	2	N/A	
8	CalWind Resources, Incorporated	1	N/A	1
9	CleanPath Ventures, LLC	2	N/A	
10	Commercial Solar Power Inc.	2	N/A	
11	Community Biomass	1	N/A	
12	ECOSolarDevelopment LLC	1	N/A	
13	El Peco Energy LLC	1	N/A	
14	Enfinity SPV Holdings, Inc.	1	N/A	
15	enXco *	3	N/A	
16	Eurus Solar Holdings LLC	1	N/A	
17	First Solar Development, Inc.	2	N/A	
18	Gas Recovery Systems, LLC	1	N/A	
19	GCL-SR	12	N/A	
20	Gestam Asetym Solar North America, Inc	9	N/A	
21	GWF Solar LLC	1	N/A	
22	Indeck Energy Services, Inc.	1	N/A	
23	Infigen Energy US LLC	1	N/A	
24	Integrated Resource Development LLC	1	N/A	
25	Lincoln Renewable Energy, LLC	3	N/A	
26	LS Power GenCo, LLC	1	N/A	
27	Meridian Energy USA, Inc.	1	N/A	
28	Monterey County Water Resources Agency	1	N/A	
29	NRG Solar LLC	2	N/A	
30	OPDE U.S. Corp	1	N/A	
31	Ormat Nevada, Inc	2	N/A	1
32	Pioneer Green Energy, LLC	1	N/A	
33	Recurrent Energy	6	N/A	
34	Republic Solar Highways I LLC - Branham *	8	N/A	
35	RIOS SOLAR ENERGY, INC	1	N/A	
36	Rockland Capital	1	N/A	
37	SilRay, Inc.	4	N/A	
38	Silverado Power	13	N/A	1
39	Solar Electric Solutions, LLC *	3	N/A	
40	Solar Monkey	1	N/A	
41	Solar Power, Inc.	2	N/A	
42	Solar Project Solutions	1	N/A	
43	STS Hydropower, Ltd.	1	N/A	
44	SunEdison, LLC	5	N/A	
45	Trina Solar US Development LLC	2	N/A	
46	TUUSSO Energy, LLC	1	N/A	1
47	Valos Solar Ventures, LLC *	2	N/A	
48	Westlands Solar Farms LLC	1	N/A	
49	Avalon Development, LLC	1	N/A	
50	Cal West Energy One	1	N/A	
51	Gradiant	1	N/A	
52	Peteluma Millenium Solar Fund LLC *	2	N/A	

\* Denotes Variation of project size

Note: given the structure of the RAM program, the concept of a shortlist is not applicable.

**Table 2. Overview of first RAM RFO by Capacity**

	<b>Contract Size (MW)</b>	<b># of Bids Submitted</b>	<b># of Bids Shortlisted</b>	<b># of contracts</b>
1	1-3	26	N/A	0
2	>3-5	6	N/A	0
3	>5-10	16	N/A	1
4	>10-15	16	N/A	1
5	>15-20	58	N/A	2

Note: given the structure of the RAM program, the concept of a shortlist is not applicable.



**Table 3. Overview of first RAM RFO by Technology**

	<b>Participating Technology</b>	<b># of bids submitted</b>	<b># of bids shortlisted</b>	<b># of contracts</b>
1	Solar PV	114	N/A	4
2	Wind	1	N/A	1
3	Geothermal	3	N/A	1
4	Biogas	1	N/A	0
5	Biomass	1	N/A	0
6	Small Hydro	2	N/A	0

Note: given the structure of the RAM program, the concept of a shortlist is not applicable.

**Table 4. Detailed Summary of first RAM RFO Short-list by Technology Type**

Technology Type	Total # of Bids into RFO	Total # of Eligible Bids	Total # of Bids Shortlisted	Total # of Executed Contracts	Mean RFO Bid Size (MW)	Mean Shortlist Bid Size (MW)	Mean Contract Size (MW)	No. of RFO Bids that Failed Each Viability Screen				
								Dev. Exp.	Site Control	Commercialized Tech.	Interconnection	COD <18mos
1 Solar PV	114	110	N/A	2	13	N/A	20	0	0	0	4	0
2 Wind	1	1	N/A	1	9	N/A	9	0	0	0	0	0
3 Geothermal	3	2	N/A	1	16	N/A	14	0	0	0	1	0
4 Biomass	1	1	N/A	0	12	N/A	0	0	0	0	0	0
5 Biogas	1	1	N/A	0	12	N/A	0	0	0	0	0	0
6 Small Hydro	2	2	N/A	0	4	N/A	0	0	0	0	0	0

Note: Given the structure of the RAM program, the concept of the shortlist is not applicable.

Table 5.

Net Market Value Overview by Project Size (MW)						
	RAM RFO			RAM Shortlist		
	Min.	Max.	Mean	Min.	Max.	Mean
1-3				N/A	N/A	N/A
>3-5				N/A	N/A	N/A
>5-10				N/A	N/A	N/A
>10-15				N/A	N/A	N/A
>15-20				N/A	N/A	N/A

Table 6.

Net Market Value Overview by Technology Type						
	RAM RFO			RAM Shortlist		
	Min.	Max.	Mean	Min.	Max.	Mean
Solar PV				N/A	N/A	N/A
Wind				N/A	N/A	N/A
Geothermal				N/A	N/A	N/A
Biogas				N/A	N/A	N/A
Biomass				N/A	N/A	N/A
Small Hydro				N/A	N/A	N/A

Note: Given the structure of the RAM program, the concept of the shortlist is not applicable.

Table 7. Project Development Milestones for Executed RAM Contracts

Project Overview										Regulatory			Commercial Operation Date			Necessary Permitting and Government Approvals				Interconnection (IC) Status		
Project Name	Company Name	Project Status (Delayed/On Schedule)	Product Category	Technology Type	Location (City / County)	RAM RFO Number	Original Bid Capacity (MW)	Installed Capacity (MW)	Full Buy/Sell or Excess Sales	CPUC Non-Appealable Approval Date	6-Month Regulatory Delay (Yes/No)	Reason for Reg. Delay	Contract GCOD	Actual COD	Construction Started (Y/N)	Necessary Permits/Govt Approvals Received (Y/N)	Necessary Permits/Govt Approvals Filed (Y/N)	If Filed, Expected Date for Permits/Govt Approval	If not Filed, Expected File Date	IC Agreement Signed (Y/N)	IC Application Deemed Complete (Y/N)	Stage in IC Process (Study/Agreement/Construction)
Mammoth G3	Mammoth One LLC (a wholly owned subsidiary of Ormat Nevada, Inc.)	On Schedule	Baseload	Geothermal	Mammoth Lakes/ Mono County	RFO 1	14	15	Excess Energy	TBD	No	N/A	18 months from CPUC approval	TBD	N/A (existing facility)	Y	Y	Complete	N/A	N	Y	Agreement
West Antelope	TA - Acacia, LLC (a wholly owned subsidiary of TUUSSO Energy, LLC)	On Schedule	As Available On-Peak	Solar PV	Lancaster/ Los Angeles County	RFO 1	20	TBD	Full Buy/Sell	TBD	No	N/A	18 months from CPUC approval	TBD	N	N	N/A	05/18/12	N	Y	Study	
Western Antelope Blue Sky	Western Antelope Blue Sky Ranch A, LLC (a wholly owned subsidiary of Silverado Power)	On Schedule	As Available On-Peak	Solar PV	Lancaster/ Los Angeles County	RFO 1	20	TBD	Full Buy/Sell	TBD	No	N/A	18 months from CPUC approval	TBD	N	Y	Q3 2012	N/A	N	Y	Study	
Wind Resource I	CalWind Resources, Inc.	On Schedule	As-available Off-Peak	Wind	Tehachapi/ Kern County	RFO 1	8.71	8.71	Full Buy/Sell	TBD	No	N/A	18 months from CPUC approval	TBD	N/A (existing facility)	Y	Y	Complete	N/A	N	Y	Agreement

## **Public Appendix B**

### **PG&E's Power Purchase Agreement**

## Appendix B

### RAM PROGRAM: Form of Power Purchase Agreement

Standard contract terms and conditions that “may not be modified” per CPUC Decision 07-11-025, and CPUC Decision 10-03-021, as modified by CPUC Decision 11-01-025, are shown in shaded text.

#### POWER PURCHASE AGREEMENT

Between

**PACIFIC GAS AND ELECTRIC COMPANY**  
(as “Buyer”)

and

---

(as “Seller”)

*Note 1: This Form of Power Purchase Agreement requires deliveries to PG&E in PG&E’s, SCE’s or SDG&E’s service territories.*

*Note 2: This Form of Power Purchase Agreement is available only for Projects of 1 to 20 MW (AC).*

**POWER PURCHASE AGREEMENT**

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## APPENDICES

The following Appendices constitute a part of this Agreement and are incorporated into this Agreement by reference:

Appendix I	Form of Letter of Credit
Appendix II	Initial Energy Delivery Date Confirmation Letter
Appendix III	Form of Monthly Progress Report
Appendix IV	Construction Start and Commercial Operation Certification Forms and Procedures
	Appendix IV-1 Construction Start Form of Certification
	Appendix IV-2 Commercial Operation Certification Form and Procedures
Appendix V	GEP Damages Calculation
Appendix VI	Notification Requirements for Available Capacity and Project Outages
Appendix VII	Resource Adequacy
Appendix VIII	Form of Consent to Assignment
Appendix IX	Seller Documentation Condition Precedent
Appendix X	Form of Actual Availability Report [ <i>For As-Available Product only</i> ]
	<u>Attachment A</u> Form of Actual Availability Report
Appendix XI	Telemetry Parameters for Wind or Solar Facilities
Appendix XII	Form of Letter of Concurrence

**POWER PURCHASE AGREEMENT**

**COVER SHEET**

This Power Purchase Agreement (“Agreement”) is entered into between Pacific Gas and Electric Company, a California corporation (“Buyer” or “PG&E”), and \_\_\_\_\_ *[insert name of Seller]*, a \_\_\_\_\_ *[include place of formation and business type]* (“Seller”), as of \_\_\_\_\_ (“Execution Date”). The information contained in this Cover Sheet shall be completed by Seller and incorporated into the Agreement.

**A. Transaction Type**

- Product:
- As-Available Non-Peaking
  - As-Available Peaking
  - Baseload

Seller shall elect one of the following types of transactions pursuant to Section 3.1(b) of the Agreement:

- Full Buy/Sell.
- Excess Sale.

Seller shall elect one of the following Delivery Terms:

- ten (10) Contract Years
- fifteen (15) Contract Years
- twenty (20) Contract Years

**B. Project Description Including Description of Site**

The Project is an:

- Existing Project
- New Project

If the Project is a New Project:

The date on which Commercial Operation Date of the Project is expected (must be no later than the Guaranteed Commercial Operation Date):

The Expected Construction Start Date of the Project:

If the Project is an Existing Project:

The Expected Initial Delivery Date (which shall be no later than the Guaranteed Commercial Operation Date) is:

For all Projects:

Physical Interconnection Point of Project (if the Project is an Aggregated Project, each component facility must interconnect at the same CAISO PNode):

Service Territory (must be in PG&E's, SCE's or SDG&E's service territories):

Substation:

Generation capacity of the Project (in MW) net of all auxiliary loads, station electrical uses, and Electrical Losses ("Contract Capacity"):

***[Provide the maximum capacity to be made available to PG&E pursuant to the transaction, which in the case of an Excess Sale transaction, may be less than the maximum capacity of the Project]***

The nameplate capacity of the Project:

- The Project size:            5 MW or higher (up to and including 20 MW).  
         1 to 5 MW.

- Check here if the Project is an Aggregated Project.

***[If the Project is an Aggregated Project, provide all of the following information in the remainder of Part A of this Cover Sheet for each component facility (by site) and include the gross power rating of each facility. Copy the list below and attach additional pages to this Cover Sheet as necessary.]***

Facility name:

Facility Site name:

Facility physical address:

Estimated construction start date of the component facility:

Actual or Anticipated On-Line Date of facility:

Total number of Units at the facility (committed and not committed to Buyer):

Technology Type: (e.g., wind, solar, geothermal, etc.):

Gross power rating of facility:

The term "Site" as defined in the Agreement means the following parcel(s) description upon which the Project is located:

The Unit(s) utilized as generation assets as part of the Project is described below:

**[INSERT MAP]**

**C. Contract Price**

The Contract Price for each MWh of Product as measured by Delivered Energy in each Contract Year shall be as follows:

<b>Contract Year</b>	<b>Contract Price (\$/MWh)</b>
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

**D. Delivery Term Contract Quantity Schedule**

Length of Agreement (in years):

<b>Contract Year</b>	<b>Contract Quantity</b>
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	

Contract Year	Contract Quantity
17	
18	
19	
20	

**E. Collateral**

Acceptable forms of collateral are cash or a Letter of Credit. A Form of Letter of Credit is attached hereto in Appendix I.

Specify the form of collateral for Project Development Security, if applicable:

Specify the form of collateral for Delivery Term Security, if applicable:

**F. Buyer Curtailment Orders**

Operational Characteristics of Project for consideration in Buyer Curtailment Orders:

*[The following applies to As-Available Product]*

- Advance notification required for Buyer Curtailment Order: 10 Minutes
- Minimum down time \_\_\_\_Minutes.
- Any other requirements:

*[The following applies to Baseload Product]*

- Nameplate capacity of the Project: \_\_\_\_MW
- Minimum capacity: \_\_\_\_ MW
- Advance notification required for Buyer Curtailment Order: 2 Hours
- Ramp down time: \_\_\_\_ Minutes.
- Ramp up time: \_\_\_\_Minutes.
- Minimum down time \_\_\_\_Minutes.
- Any other requirements:

**G. Notices List**

Name: [*Seller's Name*], a [*include place of formation and business type*] (“Seller”)

Name: Pacific Gas and Electric Company, a California corporation (“Buyer” or “PG&E”)

All Notices: [*Seller to complete*]

All Notices:

Delivery Address:

Delivery Address:

Street:

77 Beale Street, Mail Code N12E

City: State: Zip:

San Francisco, CA 94105-1702

Mail Address: (if different from above)

Mail Address:

P.O. Box 770000, Mail Code N12E

San Francisco, CA 94177

Attn:

Phone:

Facsimile:

DUNS:

Federal Tax ID Number:

**Invoices:**

Attn:

Phone:

Facsimile:

**Scheduling:**

Attn:

Phone:

Facsimile:

**Payments:**

Attn:

Phone:

Facsimile:

**Wire Transfer:**

BNK:

ABA:

ACCT:

**Credit and Collections:**

Attn:

Phone:

Facsimile:

With additional Notices of an Event of Default to Contract Manager:

Attn: \_\_\_\_\_

Phone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Attn: Candice Chan (CWW9@pge.com)

Director, Contract Mgmt & Settlements

Phone: (415) 973-7780

Facsimile: (415) 973-5507

DUNS:

Federal Tax ID Number:

**Invoices:**

Attn: Azmat Mukhtar (ASM3@pge.com)

Manager, Bilateral Settlements

Phone: (415) 973-4277

Facsimile: (415) 973-2151

**Scheduling:**

Attn: Mike McDermott (m0mc@pge.com)

Phone: (415) 973-4072

Facsimile: (415) 973-0400

**Payments:**

Attn: Azmat Mukhtar (ASM3@pge.com)

Manager, Bilateral Settlements

Phone: (415) 973-4277

Facsimile: (415) 973-2151

**Wire Transfer:**

BNK:

ABA:

ACCT:

**Credit and Collections:**

Attn: Justice Awuku (J2AT@pge.com)

Manager, Credit Risk Management

Phone: (415) 973-4144

Facsimile: (415) 973-4071

**Contract Manager:**

Attn: Chad Curran (CRCq@pge.com)

Manager, Contract Management

Phone: (415) 973-6105

Facsimile: (415) 972-5507

With additional Notices of an Event of Default to:

PG&E Law Department

Attn: Renewables Portfolio Standard attorney

Phone: (415) 973-4377

Facsimile: (415) 972-5952

## **PREAMBLE**

This Power Purchase Agreement, together with the Cover Sheet, appendices and any other attachments referenced herein, is made and entered into between PG&E and Seller, as of the Execution Date set forth in the Cover Sheet. Buyer and Seller hereby agree to the following:

### **GENERAL TERMS AND CONDITIONS**

#### **ARTICLE ONE: GENERAL DEFINITIONS**

1.1 “Actual Availability Report” has the meaning set forth in Section 3.1(l)(i)(G). *[For As-Available Product generated by EIRP-eligible facilities only]*

1.2 “Affiliate” means, with respect to any person or entity, any other person or entity (other than an individual) that (a) directly or indirectly, through one or more intermediaries, controls, or is controlled by such person or entity or (b) is under common control with such person or entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.3 “Aggregated Project” has the meaning set forth in Section 3.1(g)(iii).

1.4 “Agreement” means this Power Purchase Agreement between Buyer and Seller, which is comprised of the Cover Sheet, Preamble, these General Terms and Conditions, and all appendices, schedules and any written supplements attached hereto and incorporated herein by references, as well as all written and signed amendments and modifications thereto. For purposes of Section 10.12, the word “agreement” shall have the meaning set forth in this definition. For purposes of Section 3.1(k)(viii), the word “contract” shall have the meaning set forth in this definition.

1.5 “Arbitration” has the meaning set forth in Section 12.3.

1.6 “As-Available Non-Peaking” Product is As-Available Product with a Capacity Factor less than eighty percent (80%) averaged over all TOD Periods and less than ninety-five percent (95%) of expected output is in the Super Peak and Shoulder peak periods, as defined in Section 4.2.

1.7 “As-Available Peaking” Product is As-Available Product with a Capacity Factor less than eighty percent (80%) averaged over all TOD Periods and ninety-five percent (95%) or more of expected output is in the Super Peak and Shoulder peak periods, as defined in Section 4.2.

1.8 “As-Available Product” means an As-Available Non-Peaking Product or an As-Available Peaking Product that is powered by one of the following sources, except for a de minimis amount of Energy from other sources: 1) wind, 2) solar energy, 3) hydroelectric potential derived from small conduit water distribution facilities that do not have storage capability, or 4) other variable sources of energy that are contingent upon natural forces other than geothermal. Subject to the terms of this Agreement, (a) Seller is obligated to sell and deliver and (b) Buyer is obligated to purchase and receive, the Energy component of As-Available Product from the Project whenever such Energy is capable of being generated from the Project. In contrast to Baseload Product, the Seller does not control the availability of fuel supply to the Project producing As-Available Product and lacks the ability to store energy and control the rate of output.

1.9 “Availability Standards” means the program set forth in Section 40.9 of the CAISO Tariff, as it may be amended, supplemented or replaced (in whole or in part) from time to time, setting

forth certain standards regarding the desired level of availability for Resource Adequacy resources and possible charges and incentive payments for performance thereunder.

1.10 “Availability Workbook” has the meaning set forth in Appendix X.

1.11 “Available Capacity” means the capacity from the Project, expressed in whole megawatts, that is available to generate Product. ***[For As-Available Product facilities only]***

“Available Capacity” means the expected amount of Energy to be produced from the Project, expressed in megawatts. ***[For Baseload Product facilities and small hydro facilities only]***

1.12 “Balancing Authority” has the meaning set forth in the CAISO Tariff.

1.13 “Bankrupt” means with respect to any entity, such entity that (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 and such case filed against it is not dismissed in ninety (90) days, (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 it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

1.14 “Baseload” means a Product for which the Energy delivery levels are uniform twenty-four (24) hours per day, seven (7) days per week and has a Capacity Factor (averaged over all TOD Periods) greater than or equal to eighty percent (80%).

1.15 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday and shall be between the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party from whom the Notice, payment or delivery is being sent and by whom the Notice or payment or delivery is to be received.

1.16 “Buyer” has the meaning set forth in the Cover Sheet.

1.17 “Buyer Curtailment Order” means the instruction from Buyer to Seller to reduce generation from the Project by the amount, and for the period of time set forth in such order, for reasons unrelated to a Force Majeure and/or Curtailment Order.

1.18 “Buyer Curtailment Period” means the period of time during which Seller reduces generation from the Project pursuant to a Buyer Curtailment Order.

1.19 “Buyer’s Notice” has the meaning set forth in Section 3.9(e)(ii) or Section 11.1(b)(ii), as applicable.

1.20 “Buyer’s WREGIS Account” has the meaning set forth in Section 3.1(k)(i).

1.21 “CAISO” means the California Independent System Operator Corporation or any successor entity performing similar functions.

1.22 “CAISO Costs” has the meaning set forth in Section 4.6(c). ***[For Baseload Product only]***



1.23 “CAISO Global Resource ID” means the number or name assigned by the CAISO to the CAISO revenue meter(s).

1.24 “CAISO Grid” means the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the CAISO’s operational control.

1.25 “CAISO Penalties” means any fees, liabilities, assessments, or similar charges assessed by the CAISO for (a) violation of the CAISO Tariff and all applicable protocols, WECC rules or CAISO operating instructions or orders or (b) as a result of a Party’s failure to follow Good Utility Practices. In either case “CAISO Penalties” do not include the costs and charges related to Scheduling and imbalances as addressed in Section 4.6(b) of this Agreement.

1.26 “CAISO Revenues” means (a) the credits and other payments received by Buyer, as Seller’s Scheduling Coordinator, as a result of test energy from the Project delivered to the real-time market by Seller during the Test Period, including revenues associated with CAISO dispatches and (b) the debits, costs, penalties and interest that are directly assigned by the CAISO to the CAISO Global Resource ID for the Project for, or attributable to, scheduling and deliveries from the Project under this Agreement.

1.27 “CAISO Tariff” means the CAISO FERC Electric Tariff, Fifth Replacement Version, as it may be amended, supplemented or replaced (in whole or in part) from time to time.

1.28 “California Renewables Portfolio Standard” means the renewable energy program and policies established by California State Senate Bills 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

1.29 “Capacity Attributes” means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project, intended to value any aspect of the capacity of the Project to produce Energy or ancillary services, including, but not limited to, any accounting construct so that the full Contract Capacity of the Project may be counted toward a Resource Adequacy Requirement or any other measure by the CPUC, the CAISO, the FERC, or any other entity invested with the authority under federal or state Law, to require Buyer to procure, or to procure at Buyer’s expense, Resource Adequacy or other such products.

1.30 “Capacity Factor” has the meaning set forth in Section 4.3.

1.31 “Capacity Test” has the meaning set forth in Appendix IV-2 attached hereto. [**For Baseload Product only**]

1.32 “CEC” means the California Energy Commission or its successor agency.

1.33 “CEC Certification and Verification” means that the CEC has certified (or, with respect to periods before the Project has been constructed, that the CEC has pre-certified) that the Project is an ERR for purposes of the California Renewables Portfolio Standard and that all Energy produced by the Project qualifies as generation from an ERR for purposes of the Project.

1.34 “Claims” means all third-party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred

by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination or expiration of this Agreement.

1.35 “Commercial Operation” means the Project is operating and able to produce and deliver the Product to Buyer pursuant to the terms of this Agreement and in the case of Baseload Product, as further provided in Appendix IV-2.

1.36 “Commercial Operation Date” for As-Available Products means the date on which Seller (a) notifies Buyer that Commercial Operation has commenced and (b) provides a certification of a Licensed Professional Engineer, substantially in the form attached hereto as Attachment A to Appendix IV-2, demonstrating satisfactory completion of the Commercial Operation Certification Procedure as provided in Appendix IV-2 hereto. “Commercial Operation Date” for Baseload Products means the date on which Seller notifies Buyer that Commercial Operation has commenced and Buyer accepts in writing the results of Seller’s Capacity Test report in compliance with the Commercial Operation Certification Procedure as provided in Appendix IV-2 hereto.

1.37 “Compliance Costs” means all reasonable out-of-pocket costs and expenses incurred by Seller and paid directly to third parties in connection with any of the obligations under Sections 3.1(j) (Greenhouse Gas Emissions Reporting), 3.1(k) (WREGIS), 3.1(n) (Obtaining and Maintaining CEC Certification and Verification), 3.3 (Resource Adequacy), 3.4(b) (EIRP Requirements), and 10.2(b) (ERR), and under Appendix VII (Resource Adequacy) including, but not limited to, registration fees, volumetric fees, license renewal fees, external consultant fees and capital costs necessary for compliance, but excluding Seller’s internal administrative and staffing costs, due to a change, amendment, enactment or repeal of Law after the Execution Date (except to the extent a later date applies, as provided in Section 3.4(a)(i)) which requires Seller to incur additional costs and expenses in connection with any of such obligations, in excess of the costs and expenses incurred for such obligations under the Law in effect as of the Execution Date.

1.38 “Compliance Cost Cap” has the meaning set forth in Section 3.1(o).

1.39 “Condition Precedent” means each of, or one of, the conditions set forth in Section 2.4(a)(i) through (iii) and “Conditions Precedent” shall refer to all of the conditions set forth in Section 2.4(a)(i) through (iii).

1.40 “Construction Start Date” means the later to occur of the date on which Seller delivers to Buyer (a) a copy of the Notice to Proceed that Seller has delivered to the EPC Contractor for the Project, and (b) a written Certification substantially in the form attached hereto as Attachment A to Appendix IV-1.

1.41 “Contract Capacity” means the generation capacity designated for the Project in the Cover Sheet.

1.42 “Contract Capacity Commitment” means the amount of the Contract Capacity that may be constructed pursuant to the material Governmental Approvals received or obtained by Seller as of, for a New Project, the Guaranteed Commercial Operation Date (as may be extended pursuant to Section 3.9(c)), and for an Existing Project, the Expected Initial Energy Delivery Date specified on the Cover Sheet.

1.43 “Contract Price” means the price in United States dollars (\$U.S.) (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Cover Sheet.

1.44 “Contract Quantity” means the quantity of Delivered Energy expected to be delivered by Seller during each Contract Year as set forth in the Cover Sheet.

1.45 “Contract Year” means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Initial Energy Delivery Date and each subsequent Contract Year shall commence on the anniversary of the Initial Energy Delivery Date.

1.46 “Costs” means, with respect to the Non-Defaulting Party, (a) brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or in entering into new arrangements which replace the Terminated Transaction; and (b) all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of the Transaction.

1.47 “Cover Sheet” means the cover sheet to this Agreement, completed by Seller and incorporated into the Agreement.

1.48 “CPUC” or “Commission or successor entity” means the California Public Utilities Commission, or successor entity.

1.49 “CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

For purposes of this section, a CPUC Energy Division disposition which contains such findings or deems approved an advice letter requesting such findings shall be deemed to satisfy the CPUC decision requirement.

1.50 “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third-party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody’s. If ratings by S&P and Moody’s are not equivalent, the lower rating shall apply.

1.51 “Cure” has the meaning set forth in Section 8.5(a).

1.52 “Curtailed Order” means any of the following:

(a) the CAISO, Reliability Coordinator, Balancing Authority or any other entity having similar authority or performing similar functions during the Delivery Term, orders, directs, alerts,

or provides notice to a Party to curtail Energy deliveries for reasons including, but not limited to, (i) any system emergency, as defined in the CAISO Tariff (“System Emergency”), or (ii) any warning of an anticipated System Emergency, or warning of an imminent condition or situation, which jeopardizes the CAISO’s electric system integrity or the integrity of other systems to which the CAISO is connected;

(b) a curtailment ordered by the Participating Transmission Owner, distribution operator (if interconnected to distribution or sub-transmission system), or any other entity having similar authority or performing similar functions during the Delivery Term, for reasons including, but not limited to, (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, or (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Participating Transmission Owner’s electric system integrity or the integrity of other systems to which the Participating Transmission Owner is connected;

(c) scheduled or unscheduled maintenance or construction on the Participating Transmission Owner’s or distribution operator’s transmission or distribution facilities that prevents (i) Buyer from receiving or (ii) Seller from delivering Delivered Energy at the Delivery Point; or

(d) a curtailment in accordance with Seller’s obligations under its interconnection agreement with the Participating Transmission Owner or distribution operator.

1.53 “Curtailment Period” means the period of time during which Seller reduces generation from the Project pursuant to a Curtailment Order.

1.54 “Damage Payment” means the dollar amount equal to the amount initially posted as Project Development Security pursuant to Section 8.4(a).

1.55 “DA Price” is defined as the resource specified locational marginal pricing (“LMP”) price applied in the CAISO day ahead market.

1.56 “DA Scheduled Energy” is defined as the Day Ahead Scheduled Energy as defined in the CAISO Tariff.

1.57 “Day-Ahead Availability Notice” has the meaning set forth in Section 3.4(c)(iii)(C).

1.58 “Day Ahead Schedule” has the meaning set forth in the CAISO Tariff.

1.59 “Deemed Delivered Energy” means the amount of Energy expressed in MWh that the Project would have produced and delivered to the Delivery Point, but that is not produced by the Project and delivered to the Delivery Point during a Buyer Curtailment Period, which amount shall be ***[For As-Available Products the following bracketed language applies]*** [the result of the equation provided pursuant to Section 3.1(l)(i)(G) and using relevant Project availability, weather and other pertinent data for the period of time during the Buyer Curtailment Period.] ***[For Baseload Products the following bracketed language applies]*** [determined by reference to the relevant Project availability and historical data provided as required pursuant to Section 3.1(l); however, in the event a Buyer’s Curtailment Period occurs prior to the fifth month of the first Contract Year, the amount of historical data accumulated to date shall be sufficient.]

1.60 “Defaulting Party” means the Party that is subject to an Event of Default.

1.61 “Deficient Month” has the meaning set forth in Section 3.1(k)(v).

- 1.62 “Delay” means a Permitting Delay or Transmission Delay, as set forth in Section 3.9(c).
- 1.63 “Deliverability Assessment” has the meaning set forth in the CAISO Tariff.
- 1.64 “Delivered Energy” means all Energy produced from the Project as measured in MWh at the CAISO revenue meter(s) of the Project based on a power factor of precisely one (1) and net of all Electrical Losses provided that Delivered Energy, in any hour, shall never exceed ***[As-Available Sellers, use the following bracketed language:]*** [one-hundred ten percent (110%) of Contract Capacity] ***[Baseload Sellers, use the following bracketed language:]*** ***[the contract capacity]***.
- 1.65 “Delivery Point” means the point at which Buyer receives Seller’s Product, as identified in Section 3.1(d).
- 1.66 “Delivery Term” has the meaning set forth in Section 3.1(c) and shall be of the length specified in the Cover Sheet.
- 1.67 “Delivery Term Security” means the Performance Assurance that Seller is required to maintain, as specified in Article Eight, to secure performance of its obligations during the Delivery Term.
- 1.68 “Disclosing Party” has the meaning set forth in Section 10.7(a)(v).
- 1.69 “Distribution Loss Factor” is a multiplier factor that reduces the amount of Delivered Energy produced by a Project connecting to a distribution system to account for the electrical distribution losses, including those related to distribution and transformation, occurring between the point of interconnection, where the Participating Transmission Owner’s meter is physically located, and the first point of Interconnection, as defined in the CAISO Tariff, with the CAISO Grid.
- 1.70 “Distribution Upgrades” has the meaning set forth in the CAISO Tariff.
- 1.71 “DUNS” means the Data Universal Numbering System, which is a unique nine character identification number provided by Dun and Bradstreet.
- 1.72 “Early Termination Date” has the meaning set forth in Section 5.2(a).
- 1.73 “Effective Date” means the date on which all of the Conditions Precedent set forth in Section 2.4(a) have been satisfied or waived in writing by both Parties.
- 1.74 “Electrical Losses” means all applicable losses, including, but not limited to, the following: (a) any transmission or transformation losses between the CAISO revenue meter(s) and the Delivery Point; and (b) the Distribution Loss Factor, if applicable.
- 1.75 “Electric System Upgrades” means any Network Upgrades, Distribution Upgrades, or Interconnection Facilities that are determined to be necessary by the CAISO or Participating Transmission Owner, as applicable, to physically and electrically interconnect the Project to the Participating Transmission Owner’s electric system for receipt of Energy at the Point of Interconnection (as defined in the CAISO Tariff) if connecting to the CAISO Grid, or the Interconnection Point, if the Participating TO’s electric system is not part of the CAISO Grid.
- 1.76 “Electrician” means any person 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 energy in any form or for any purpose.

1.77 “Eligible Intermittent Resource Program” or “EIRP” means the Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.

1.78 “Eligible Renewable Energy Resource” or “ERR” has the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

1.79 “Energy” means three-phase, 60-cycle alternating current electric energy measured in MWh and net of auxiliary loads and station electrical uses (unless otherwise specified). For purposes of Section 1.118, “Green Attributes,” the word “energy” shall have the meaning set forth in this definition.

1.80 “Energy Deviation(s)” means the absolute value of the difference, in MWh, in any Settlement Interval between (a) the final accepted Bid (as defined in the CAISO Tariff) submitted for the Project for the hour of the Settlement Interval divided by the number of Settlement Intervals in the hour; and (b) Delivered Energy for the Settlement Interval.

1.81 “Energy Investment Tax Credit” or “ITC” means the tax credit for “energy property” described in Section 48(a)(3)(A)(i) and 48(a)(5) of the Internal Revenue Code of 1986, as it may be amended or supplemented from time to time.

1.82 “EPC Contract” means the Seller’s engineering, procurement and construction contract with the EPC Contractor.

1.83 “EPC Contractor” means an engineering, procurement, and construction contractor, or if not utilizing an engineering, procurement and construction contractor, the entity having lead responsibility for the management of overall construction activities, selected by Seller, with substantial experience in the engineering, procurement, and construction of power plants of the same type of facility as the Seller’s; provided, however, that the Seller or the Seller’s affiliate(s) may serve as the EPC Contractor.

1.84 “Equitable Defenses” means any bankruptcy, insolvency, reorganization or other Laws affecting creditors’ rights generally and, with regard to equitable remedies, the discretion of the court before which proceedings may be pending to obtain same.

1.85 “Event of Default” has the meaning set forth in Section 5.1.

1.86 “Excess Sale” is the type of transaction described in Section 3.1(b)(ii).

1.87 “Exclusivity Period” has the meaning set forth in Section 3.9(e)(i) or Section 11.1(b)(i), as applicable.

1.88 “Execution Date” means the date specified in the Cover Sheet.

1.89 “Executive(s)” has the meaning set forth in Section 12.2(a).

1.90 “Exempt Wholesale Generator” has the meaning provided in 18 C.F.R. Section 366.1.

1.91 “Existing Project” is a Project that has achieved Commercial Operation on or prior to the Execution Date.

1.92 “Expected Construction Start Date” has the meaning set forth in the Cover Sheet.

1.93 “Expected Initial Energy Delivery Date” is the date specified (by an Existing Project) on the Cover Sheet.

1.94 “FCDS Alternative” has the meaning set forth in Section 3.4(a)(i).

1.95 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.96 “Final Output Report” means the unabridged and unredacted final report provided to Buyer as set forth in Section 3.9(a)(vii) concerning the Energy producing potential of the Site, inclusive of anticipated Planned Outages and Forced Outages on an annual basis, prepared by a Licensed Professional Engineer who shall be retained by Seller. The Energy producing potential of the Site as reflected in the Final Output Report may be expressed on a calendar year by calendar year basis, if necessary to reflect adjustments in such potential over time due to any anticipated degradation of the photovoltaic panels. [*For As-Available Product only*]

1.97 “First Offer” has the meaning set forth in Section 3.9(e)(i) or Section 11.1(b)(i), as applicable.

1.98 “Force Majeure” means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby.

(a) Subject to the foregoing, events that could qualify as Force Majeure include, but are not limited to, the following:

(i) flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcanic eruption, other natural disaster or unusual or extreme adverse weather-related events;

(ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockade, insurrection, revolution, expropriation or confiscation;

(iii) except as set forth in subsection (b)(vii) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable); or

(iv) emergencies declared by the Transmission Provider or any other authorized successor or regional transmission organization or any state or federal regulator or legislature requiring a forced curtailment of the Project or making it impossible for the Transmission Provider to transmit Energy, including Energy to be delivered pursuant to this Agreement; provided that, if a curtailment of the Project pursuant to this subsection (a)(iv) would also meet the definition of a Curtailment Period, then it shall be treated as a Curtailment Period for purposes of Section 3.1(i).

- (b) Force Majeure shall not be based on:
- (i) Buyer's inability economically to use or resell the Product purchased hereunder;
  - (ii) Seller's ability to sell the Product at a price greater than the price set forth in this Agreement;
  - (iii) Seller's inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Project;
  - (iv) Seller's inability to obtain sufficient fuel, power or materials to operate the Project, except if Seller's inability to obtain sufficient fuel, power or materials is caused solely by an event of Force Majeure;
  - (v) Seller's failure to obtain additional funds, including funds authorized by a state or the federal government or agencies thereof, to supplement the payments made by Buyer pursuant to this Agreement;
  - (vi) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure;
  - (vii) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, the EPC Contractor or subcontractors thereof or any other third party employed by Seller to work on the Project;
  - (viii) any equipment failure except if such equipment failure is caused solely by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above; or
  - (ix) a Party's inability to pay amounts due to the other Party under this Agreement, except if such inability is caused solely by a Force Majeure event that disables physical or electronic facilities necessary to transfer funds to the payee Party.

1.99 "Force Majeure Extension" has the meaning set forth in Section 3.9(c)(i)(C).

1.100 "Force Majeure Failure" means either Force Majeure Project Failure or Force Majeure Development Failure, as applicable.

1.101 "Force Majeure Development Failure" has the meaning set forth in Section 11.1(a)(ii).

1.102 "Force Majeure Project Failure" has the meaning set forth in Section 11.1(a)(i).

1.103 "Forced Outage" means any unplanned reduction or suspension of the electrical output from the Project or unavailability of the Project in whole or in part from a Unit in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of a Unit for operation, in whole or in part, for maintenance or repair that is not a Planned Outage and not the result of Force Majeure.

1.104 "Forecasting Penalty" has the meaning set forth in Section 4.6(c)(iii), and "Forecasting Penalties" means more than one Forecasting Penalty. ***[For As-Available Product only]***



1.105 “Full Buy/Sell” is the type of transaction described in Section 3.1(b)(i).

1.106 “Full Capacity Deliverability Status” has the meaning set forth in the CAISO Tariff.

1.107 “Full Capacity Deliverability Status Finding” shall mean a finding by the CAISO that the Project meets the CAISO's requirements for deliverability at the Project's Full Capacity Deliverability Status, as such term is defined in the CAISO Tariff.

1.108 “Gains” means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of the Transaction, determined in a commercially reasonable manner, subject to Section 5.2 hereof. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading platforms (e.g., NYMEX), all of which should be calculated for the remaining Delivery Term to determine the value of the Product.

1.109 “GEP Cure” has the meaning set forth in Section 3.1(e)(ii)(B).

1.110 “Geothermal Reservoir Report” means a report obtained by Seller from an expert independent consulting firm qualified in geothermal reservoir assessment which assesses the geothermal potential at the Site. *[For Geothermal Projects only]*

1.111 “GEP Damages” has the meaning set forth in Section 3.1(e)(ii)(B).

1.112 “GEP Failure” means Seller’s failure to produce Delivered Energy in an amount equal to or greater than the Guaranteed Energy Production amount for the applicable Performance Measurement Period.

1.113 “GEP Shortfall” means the amount in MWh by which Seller failed to achieve the Guaranteed Energy Production in the applicable Performance Measurement Period.

1.114 “Good Utility Practice” has the meaning provided in the CAISO Tariff.

1.115 “Governmental Approval” means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and shall include those siting and operating permits and licenses, and any of the foregoing under any applicable environmental Law, that are required for the construction, use and operation of the Project.

1.116 “Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

1.117 “Governmental Charges” has the meaning set forth in Section 9.2.

1.118 “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (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 the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

1.119 "Guaranteed Commercial Operation Date" is the date eighteen (18) months after the Effective Date, as it may be extended pursuant to Section 3.9, by which Seller shall have demonstrated Commercial Operations per the terms of Appendix IV.

1.120 "Guaranteed Energy Production" or "GEP" has the meaning set forth in Section 3.1(e)(ii).

1.121 "Hour Ahead" has the meaning set forth in the CAISO Tariff.

1.122 "Initial Energy Delivery Date" has the meaning set forth in Section 3.1(c).

1.123 "Initial Negotiation End Date" has the meaning set forth in Section 12.2(a).

1.124 "Interconnection Customer's Interconnection Facilities" has the meaning set forth in the CAISO Tariff.

1.125 "Interconnection Facilities" has the meaning set forth in the CAISO Tariff.

1.126 "Interconnection Point" means the physical interconnection point of the Project as identified by Seller in the Cover Sheet.

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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.

1.127 “Interest Amount” means, with respect to an Interest Period, the amount of interest calculated as follows: (a) the sum of (i) the principal amount of Performance Assurance in the form of cash held by Buyer during that Interest Period, and (ii) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (b) multiplied by the Interest Rate in effect for that Interest Period; (c) multiplied by the number of days in that Interest Period; (d) divided by 360.

1.128 “Interest Payment Date” means the last Business Day of each calendar year.

1.129 “Interest Period” means the monthly period beginning on the first day of each month and ending on the last day of each month.

1.130 “Interest Rate” means the rate per annum equal to the “Monthly” Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

1.131 “JAMS” means JAMS, Inc. or its successor entity, a judicial arbitration and mediation service.

1.132 “Law” means any statute, law, treaty, rule, regulation, CEC guidance document, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective after the Execution Date; or any binding interpretation of the foregoing. For purposes of Sections 1.49 “CPUC Approval,” 1.118 “Green Attributes,” 10.2(b), “Seller Representations and Warranties” and 10.12 “Governing Law”, the term “law” shall have the meaning set forth in this definition.

1.133 “Letter(s) of Credit” means an irrevocable, non-transferable standby letter of credit (a) issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch or subsidiary of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by Buyer, and (B) it is acceptable to Buyer in its sole discretion; (b) for which the issuing U.S. bank, or foreign bank or subsidiary thereof, must have a Credit Rating of at least A from S&P or A2 from Moody’s; and (c) the form of which must be substantially in the form as contained in Appendix I to this Agreement; provided, that, if the Letter of Credit is issued by a branch of a foreign bank, Buyer may require changes to such form.

1.134 “Licensed Professional Engineer” means a person acceptable to Buyer in its reasonable judgment who (a) is licensed to practice engineering in California, (b) has training and experience in the power industry specific to the technology of the Project, (c) has no economic relationship, association, or nexus with Seller or Buyer, other than to meet the obligations of Seller pursuant to this Agreement, (d) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the Project or of a manufacturer or supplier of any equipment installed at the Project, and (e) is licensed in an appropriate engineering discipline for the required certification being made. ***[For As-Available Product only]***

1.135 “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of the Transaction, determined in a commercially reasonable manner, subject to Section 5.2 hereof. Factors used in determining the loss of economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other

relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading platforms (e.g. NYMEX), all of which should be calculated for the remaining term of the Transaction to determine the value of the Product.

- 1.136 “Manager” has the meaning set forth in Section 12.2(a).
- 1.137 “Monthly Progress Report” means the report similar in form and content attached hereto as Appendix III.
- 1.138 “Monthly Period” has the meaning set forth in Section 4.2.
- 1.139 “Monthly TOD Payment” has the meaning set forth in Section 4.4(b).
- 1.140 “Moody’s” means Moody’s Investors Service, Inc., or its successor.
- 1.141 “MW” means megawatt (AC).
- 1.142 “MWh” means megawatt-hour.
- 1.143 “NERC” means the North American Electric Reliability Council or a successor organization that is responsible for establishing reliability criteria and protocols.
- 1.144 “NERC Holidays” has the meaning set forth in Section 4.2.
- 1.145 “Network Upgrades” has the meaning set forth in the CAISO Tariff.
- 1.146 “New Project” is a Project that has not achieved Commercial Operation on or prior to the Execution Date.
- 1.147 “NOAA” means National Oceanic and Atmospheric Administration or successor thereto.
- 1.148 “Non-Defaulting Party” has the meaning set forth in Section 5.2.
- 1.149 “Notice,” unless otherwise specified in the Agreement, means written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). The Cover Sheet contains the names and addresses to be used for Notices.
- 1.150 “Notice to Proceed” means the notice provided by Seller to the EPC Contractor following execution of the EPC Contract between Seller and such EPC Contractor and satisfaction of all conditions to performance of such contract, by which Seller authorizes such EPC Contractor to begin construction of the Project without any delay or waiting periods.
- 1.151 “Obligor” means the Party breaching the terms of this Agreement.
- 1.152 “Outage Notification Procedures” means the procedures specified in Appendix VI, attached hereto. PG&E reserves the right to revise or change the procedures upon written Notice to Seller.
- 1.153 “Participating Intermittent Resource” or “PIRP” has the meaning set forth in the CAISO Tariff. [*For As-Available Product only*]

1.154 “Participating Transmission Owner” or “Participating TO” means an entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid.

1.155 “Party” means the Buyer or Seller individually, and “Parties” means both collectively. For purposes of Section 10.12, Governing Law, the word “party” or “parties” shall have the meaning set forth in this definition.

1.156 “Performance Assurance” means collateral provided by Seller to Buyer to secure Seller’s obligations hereunder and includes Project Development Security and Delivery Term Security.

1.157 “Performance Measurement Period” has the meaning set forth in Section 3.1(e)(ii).

1.158 “Performance Tolerance Band” shall be calculated as set forth in Section 4.6(c).

1.159 “Permitting Delay” has the meaning set forth in Section 3.9(c)(i)(A).

1.160 “Permitted Extensions” means extensions to the Guaranteed Commercial Operation Date due to Permitting Delay, Transmission Delay, or Force Majeure Extension, as applicable, pursuant to Section 3.9(c).

1.161 “Permit Failure” has the meaning set forth in Section 3.9(d).

1.162 “Planned Outage” means the removal of equipment from service availability for inspection and/or general overhaul of one or more major equipment groups. To qualify as a Planned Outage, the maintenance (a) must actually be conducted during the Planned Outage, and in Seller’s sole discretion must be of the type that is necessary to reliably maintain the Project, (b) cannot be reasonably conducted during Project operations, and (c) causes the generation level of the Project to be reduced by at least ten percent (10%) of the Contract Capacity.

1.163 “PNode” has the meaning set forth in the CAISO Tariff.

1.164 “Preamble” means the paragraph that precedes Article One: General Definitions to this Agreement.

1.165 “Preschedule Day” has the meaning set forth in Section 3.4(c)(iii).

1.166 “Product” means the Energy, capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Project, including, without limitation, renewable attributes, Renewable Energy Credits, Capacity Attributes and Green Attributes.

1.167 “Production Tax Credit” or “PTC” means the tax credit for electricity produced from certain renewable generation resources described in Section 45 of the Internal Revenue Code of 1986, as it may be amended or supplemented from time to time.

1.168 “Project” means all of the Unit(s) and Site(s) at which the generating facility(ies) is located and the other assets, tangible and intangible, that compose the generation facility or Aggregated Projects, including but not limited to the assets used to connect the Unit(s) to the Interconnection Point, as

more particularly described in the Cover Sheet. For purposes of Section 1.118, “Green Attributes,” the word “project” shall have the meaning set forth in this definition.

1.169 “Project Development Security” is the collateral required of Seller, as specified and referred to in Section 8.4(a).

1.170 “Prolonged Outage” is any period of more than thirty (30) consecutive days during which the Project is or will be unable, for whatever reason, to provide at least sixty percent (60%) of the Contract Capacity.

1.171 “Qualifying Facility” has the meaning provided in the Public Utility Regulatory Policies Act (“PURPA”) and in regulations of the FERC at 18 C.F.R. §§ 292.201 through 292.207.

1.172 “RA Capacity” means the maximum megawatt amount that the CAISO recognizes from a Project that qualifies for Buyer’s Resource Adequacy Requirements and is associated with the Project’s Capacity Attributes.

1.173 “Real Time Price” is defined as the Resource-Specific Settlement Interval LMP as defined in the CAISO Tariff.

1.174 “Reductions” has the meaning set forth in Section 4.8(b).

1.175 “Referral Date” has the meaning set forth in Section 12.2(a).

1.176 “Reliability Coordinator” has the meaning set forth in the CAISO Tariff.

1.177 “Reliability Must-Run Contract” has the meaning set forth in the CAISO Tariff. [**For Baseload Product only**]

1.178 “Renewable Energy Credit” has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 08-08-028, as may be amended from time to time or as further defined or supplemented by Law.

1.179 “Replacement Capacity Rules” means the program set forth in the CAISO Tariff, as it may be amended, supplemented or replaced (in whole or in part) from time to time, setting forth certain requirements to replace Resource Adequacy Capacity on planned outages.

1.180 “Resource Adequacy” means the procurement obligation of load serving entities, including Buyer, as such obligations are described in CPUC Decisions D.04-10-035 and D.05-10-042 and subsequent CPUC decisions addressing Resource Adequacy issues, as those obligations may be altered from time to time in the CPUC Resource Adequacy Rulemakings (R.) 04-04-003 and (R.) 05-12-013 or by any successor proceeding, and all other Resource Adequacy obligations established by any other entity, including the CAISO.

1.181 “Resource Adequacy Requirements” has the meaning set forth in Section 3.3.

1.182 “Resource-Specific Settlement Interval LMP” has the meaning set forth in the CAISO Tariff.

1.183 “Retained Revenues” has the meaning set forth in Section 3.3(e). [**For Baseload Product only**]

1.184 “Revised Offer” has the meaning set forth in Section 3.9(e)(iii) or Section 11.1(b)(iii), as applicable.

1.185 “S&P” means the Standard & Poor’s Financial Services, LLC (a subsidiary of the McGraw-Hill Companies, Inc.) or its successor.

1.186 “Satisfaction Date” has the meaning set forth in Section 2.5.

1.187 “Schedule” has the meaning set forth in the CAISO Tariff.

1.188 “Scheduling Coordinator” or “SC” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff, for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator”, of the CAISO Tariff, as amended from time to time.

1.189 “SEC” means the U.S. Securities and Exchange Commission.

1.190 “Seller” has the meaning set forth in the Cover Sheet. For the purposes of Section 3.1(m)(i), the term “Producer” has the same meaning as the term “Seller”.

1.191 “Seller Excuse Hours” means those hours during which Seller is unable to schedule or deliver Delivered Energy to Buyer as a result of (a) a Force Majeure event, (b) Buyer’s failure to perform, (c) Curtailment Period or (d) Buyer Curtailment Period.

1.192 “Seller’s WREGIS Account” has the meaning set forth in Section 3.1(k)(i).

1.193 “Settlement Amount” means the amount in US\$ equal to the sum of Losses, Gains, and Costs, which the Non-Defaulting Party incurs as a result of the termination of this Agreement.

1.194 “Settlement Interval” means any one of the six ten (10) minute time intervals beginning on any hour and ending on the next hour (e.g. 12:00 to 12:10, 12:10 to 12:20, etc.).

1.195 “Settlement Interval Actual Available Capacity” means the sum of the capacity, in MWs, of all generating units of the Project that were available as of the end of such Settlement Interval, as indicated by the Actual Availability Report. ***[For As-Available Product generated by EIRP-eligible facilities only]***

1.196 “SGIA” means the agreement and associated documents (or any successor agreement and associated documentation approved by FERC) by and among Seller, the Participating Transmission Owner, and, as applicable, the CAISO governing the terms and conditions of Seller’s interconnection with the Participating TO’s transmission or distribution system, including any description of the plan for interconnecting to Participating TO’s transmission or distribution system.

1.197 “SGIP” means the Small Generator Interconnection Procedures set forth in the CAISO Tariff or tariff of the applicable Participating Transmission Owner, as applicable, and associated documents; provided that if the SGIP is replaced by such other successor procedures approved by FERC governing interconnection (a) to the Participating TO’s transmission or distribution system or (b) of generating facilities with an expected net capacity equal to or greater than the Project’s Contract Capacity, the term “SGIP” shall then apply to such successor procedure.

1.198 “Site” means the location of the Project as described in the Cover Sheet. For Aggregated Projects, “Site” means all of the component sites of the Project.

1.199 “System Emergency” has the meaning provided in Section 1.52 “Curtailed Order.”

1.200 “Term” has the meaning provided in Section 2.5.

1.201 “Terminated Transaction” means the Transaction terminated in accordance with Section 5.2 of this Agreement.

1.202 “Termination Payment” means the payment amount equal to the sum of (a) and (b), where (a) is the Settlement Amount and (b) is the sum of all amounts owed by the Defaulting Party to the Non-Defaulting Party under this Agreement, less any amounts owed by the Non-Defaulting Party to the Defaulting Party determined as of the Early Termination Date.

1.203 “Test Period” means the period of not more than ninety (90) consecutive days commencing on the first date that the CAISO informs Seller in writing that Seller may deliver Energy from the Project to the CAISO Grid and ending when Seller advises Buyer of the occurrence of the Initial Energy Delivery Date.

1.204 “Third-Party SC” means a qualified third party designated by Buyer to provide the Scheduling Coordinator functions for the Project pursuant to this Agreement.

1.205 “TOD” means time of delivery of Delivered Energy from Seller to Buyer.

1.206 “TOD Factors” has the meaning set forth in Section 4.4(a).

1.207 “TOD Periods” has the meaning set forth in Section 4.2.

1.208 “Transaction” means the particular transaction described in its entirety in Section 3.1(b) of this Agreement.

1.209 “Transmission Delay” has the meaning set forth in Section 3.9(c)(i)(B).

1.210 “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point. For purposes of this Agreement the Transmission Provider is CAISO.

1.211 “Unit” means the technology used to produce the Products, which are identified in the Cover Sheet for the Transaction entered into under this Agreement.

1.212 “Variation(s)” means the absolute value of the difference, in MWh, in any Settlement Interval between (a) DA Scheduled Energy; and (b) Delivered Energy for the Settlement Interval. ***[For Baseload Product only]***

1.213 “WECC” means the Western Electricity Coordinating Council or successor agency.

1.214 “WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

1.215 “WREGIS Certificate Deficit” has the meaning set forth in Section 3.1(k)(v).



1.216 “WREGIS Certificates” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

1.217 “WREGIS Operating Rules” means those operating rules and requirements adopted by WREGIS as of June 4, 2007, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

1.218 “Work” means (a) work or operations performed by a Party or on a Party’s behalf, and (b) materials, parts or equipment furnished in connection with such work or operations, including (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “a Party’s work”, and (ii) the providing of or failure to provide warnings or instructions.

## **ARTICLE TWO: GOVERNING TERMS AND TERM**

2.1 Entire Agreement. This Agreement, together with the Cover Sheet, Preamble and each and every appendix, attachment, amendment, schedule and any written supplements hereto, if any, between the Parties constitutes the entire, integrated agreement between the Parties.

2.2 Interpretation. The following rules of interpretation shall apply in addition to those set forth in Section 10.13:

(a) The term “month” shall mean a calendar month unless otherwise indicated, and a “day” shall be a 24-hour period beginning at 12:00:01 a.m. Pacific Prevailing Time and ending at 12:00:00 midnight Pacific Prevailing Time; provided that a “day” may be 23 or 25 hours on those days on which daylight savings time begins and ends.

(b) Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then existing at the applicable time to which such construction applies.

(c) Capitalized terms used in this Agreement, including the appendices hereto, shall have the meaning set forth in Article One, unless otherwise specified.

(d) Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

(e) References to a particular article, section, subsection, paragraph, subparagraph, appendix or attachment shall, unless specified otherwise, be a reference to that article, section, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

(f) Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its functions.

(g) All references to dollars are to U.S. dollars.

2.3 Authorized Representatives. Each Party shall provide Notice to the other Party of the persons authorized to nominate and/or agree to a schedule or dispatch order for the delivery or acceptance of the Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such persons from time to time in its sole discretion by providing Notice.

2.4 Conditions Precedent.

(a) Conditions Precedent. Subject to Section 2.6 hereof, the Term shall not commence until the occurrence of all of the following:

(i) This Agreement has been duly executed by the authorized representatives of each of Buyer and Seller;

(ii) CPUC Approval has been obtained for the terms, conditions and pricing of this Agreement; and

(iii) The advice letter submitting this Agreement to the CPUC becomes effective in accordance with CPUC General Order 96-B or its successor order, or as otherwise provided by CPUC order.

(b) Failure to Meet All Conditions Precedent. If the Conditions Precedent set forth in Sections 2.4(a)(ii) and (iii) are not satisfied or waived in writing by both Parties on or before one hundred and eighty (180) days from the date on which Buyer files an advice letter submitting this Agreement to the CPUC, then either Party may terminate this Agreement effective upon receipt of Notice by the other Party. Neither Party shall have any obligation or liability to the other, including for a Termination Payment or otherwise, by reason of such termination.

2.5 Term.

(a) The term shall commence upon the satisfaction of the Conditions Precedent set forth in Section 2.4(a) of this Agreement and shall remain in effect until the conclusion of the Delivery Term unless terminated sooner pursuant to Section 2.4(b), Section 5.2 or Section 11 of this Agreement (the "Term"); provided that this Agreement shall thereafter remain in effect (i) until the Parties have fulfilled all obligations with respect to the Transaction, including payment in full of amounts due for the Products delivered prior to the end of the Term, the Settlement Amount, or other damages (whether directly or indirectly such as through set-off or netting) and the undrawn portion of the Project Development Security or Delivery Term Security, as applicable, is released and/or returned as applicable (the "Satisfaction Date") or (ii) in accordance with the survival provisions set forth in subpart (b) below.

(b) Notwithstanding anything to the contrary in this Agreement, (i) all rights under Section 10.5 (Indemnities) and any other indemnity rights shall survive the Satisfaction Date or the end of the Term (whichever is later) for an additional twelve (12) months; (ii) all rights and obligations under Section 10.7 (Confidentiality) shall survive the Satisfaction Date or the end of the Term (whichever is later) for an additional two (2) years; and (iii) the right of first offer in Section 11.1 (b) shall survive the Satisfaction Date for two (2) years.

2.6 Binding Nature.

(a) Upon Execution Date. This Agreement shall be effective and binding as of the Execution Date only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under:

- (i) Sections 5.1(a)(iv)-(v), and 5.1(b)(v);
- (ii) Section 5.1(a)(ii) only with respect to Section 10.2, and Section 5.1(a)(iii) only with respect to the Sections identified in this Section 2.6;
- (iii) Sections 5.2 through 5.7;
- (iv) Sections 8.3, 8.4(a)(i), 8.4(b), and 8.5;
- (v) Sections 10.2, 10.6 through 10.8, and Sections 10.12 through 10.15; and
- (vi) Articles One, Two, Seven, Twelve and Thirteen.

(b) Upon Effective Date. This Agreement shall be in full force and effect, enforceable and binding in all respects, upon occurrence of the Effective Date.

### **ARTICLE THREE: OBLIGATIONS AND DELIVERIES**

#### **3.1 Seller's and Buyer's Obligations.**

(a) Product. The Product to be delivered and sold by Seller and received and purchased by Buyer under this Agreement is set forth in the Cover Sheet.

(b) Transaction. Unless specifically excused by the terms of this Agreement during the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Product at the Delivery Point, pursuant to Seller's election in the Cover Sheet of a Full Buy/Sell or Excess Sale arrangement as described in paragraphs 3.1(b)(i) and 3.1(b)(ii) below. Buyer shall pay Seller the Contract Price in accordance with the terms of this Agreement. In no event shall Seller have the right (1) to procure any element of the Product from sources other than the Project for sale or delivery to Buyer under this Agreement except with respect to Energy delivered to Buyer in connection with Energy Deviations or Variations, as applicable, or (2) sell Product from the Project to a third party other than in connection with Energy Deviations or Variations, as applicable. Buyer shall have no obligation to receive or purchase Product from Seller prior to or after the Delivery Term, except during the Test Period. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product after its receipt at and from the Delivery Point. Each Party agrees to act in good faith in the performance of its obligations under this Agreement.

(i) Full Buy/Sell. If "Full Buy/Sell" is elected on the Cover Sheet, Seller agrees to sell to Buyer the Project's gross output in kilowatt-hours, net of Station Use and transformation and transmission losses to and at the Delivery Point, together with all Green Attributes and Resource Adequacy Benefits. Seller shall purchase all energy required to serve the Project's on-site load, net of station use, from Buyer or applicable retail service provider pursuant to its applicable retail rate schedule.

(ii) Excess Sale. If "Excess Sale" is selected on the Cover Sheet, Seller agrees to sell to Buyer the Project's gross output in kilowatt-hours, net of Station Use, any on-site load

and transformation and transmission losses to the Delivery Point into the PG&E system. Seller agrees to convey to Buyer all Green Attributes and Resource Adequacy Benefits associated with the energy sold to Buyer.

(c) Delivery Term. “Delivery Term” shall mean the period of Contract Years indicated on the Cover Sheet, beginning on the first date that Seller delivers Product to Buyer from the Project (“Initial Energy Delivery Date”) in connection with this Agreement and continuing until the end of the tenth, fifteenth or twentieth Contract Year (as applicable, based on the Cover Sheet election) unless terminated as provided by the terms of this Agreement. The Initial Energy Delivery Date shall occur as soon as practicable once all of the following have been satisfied: (A) the Commercial Operation Date has occurred; (B) Buyer shall have received and accepted the Delivery Term Security in accordance with the relevant provisions of Article Eight of the Agreement, as applicable; (C) Seller shall have obtained the requisite CEC Certification and Verification for the Project; (D) all of the applicable Conditions Precedent in Section 2.4(a) of the Agreement have been satisfied or waived in writing, (E) Buyer shall have received written notice from the CAISO that the Project is certified as a Participating Intermittent Resource to the extent such status is available at such time as the conditions in subsections (A) through (D) of this Section 3.1(c) are satisfied; provided that, for an Existing Project, the Initial Energy Delivery Date shall occur no earlier than thirty (30) days before the Expected Initial Energy Delivery Date. If subsection (E) is applicable, Seller shall obtain such certification no later than one hundred twenty (120) days following the Commercial Operation Date. As evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the “Initial Energy Delivery Date Confirmation Letter” attached hereto as Appendix II on the Initial Energy Delivery Date. Eighteen (18) months prior to the anticipated conclusion of the Delivery Term, the Parties shall provide notice of their intentions with respect to the Project, including if desired, any proposed extension of this Agreement.

(d) Delivery Point. The Delivery Point shall be the Interconnection Point.

(e) Contract Quantity and Guaranteed Energy Production.

(i) Contract Quantity. The Contract Quantity during each Contract Year is the amount set forth in the applicable Contract Year in the “Delivery Term Contract Quantity Schedule,” set forth in the Cover Sheet, which amount is inclusive of outages.

(ii) Guaranteed Energy Production.

(A) Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production over two (2) consecutive Contract Years during the Delivery Term (“Performance Measurement Period”). “Guaranteed Energy Production” means an amount of Delivered Energy, as measured in MWh, equal to the product of (x) and (y), where (x) is one hundred forty percent (140%) of the then-applicable Contract Quantity [*Photovoltaic facilities only to use the then-applicable Contract Quantities for the Performance Measurement Period*], and (y) is the difference between (I) and (II), with the resulting difference divided by (I), where (I) is the number of hours in the applicable Performance Measurement Period and (II) is the aggregate number of Seller Excuse Hours in the applicable Performance Measurement Period. Guaranteed Energy Production is described by the following formula:

*Guaranteed Energy Production = (140% \* Contract Quantity in MWh) \* [(Hrs in Performance Measurement Period - Seller Excuse Hrs) / Hrs in Performance Measurement Period]*

(B) If Seller has a GEP Failure, then within forty-five (45) days after the last day of the last month of such Performance Measurement Period, Buyer shall promptly notify

Seller of such failure. Seller may cure the GEP Failure by delivering to Buyer GEP Damages, calculated pursuant to Appendix V (GEP Damages Calculation), within sixty (60) days of receipt of the Notice (“GEP Cure”). If Seller does not pay the GEP Damages within the sixty (60) day time period, Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(v)(A) within ninety (90) days after the expiration of Seller’s sixty (60) day GEP Cure period. If Buyer does not (1) notify Seller of the GEP Failure within the forty-five (45) day time period set forth in this Section 3.1(e)(ii)(B), or (2) declare an Event of Default pursuant to Section 5.1(b)(v) within the ninety (90) day time period set forth in this Section 3.1(e)(ii)(B), if Seller has failed to pay the GEP Damages, then Buyer shall be deemed to have waived its right to declare an Event of Default based on Seller’s failure with respect to the Performance Measurement Period which served as the basis for the notice of GEP Failure, GEP Damages, or default, subject to the limitations set forth in Section 5.1(b)(v)(B).

(C) The Parties agree that the damages sustained by Buyer associated with Seller’s failure to achieve the Guaranteed Energy Production requirement would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive and therefore agree that Seller shall pay the GEP Damages to Buyer as liquidated damages. In no event shall Buyer be obligated to pay GEP Damages.

***[The following bracketed version of Section 3.1(f) Contract Capacity applies to Full Buy/Sell transactions of As-Available Product only]***

(f) [Contract Capacity]. The generation capability designated for the Project shall be the Contract Capacity designated in the Cover Sheet (the “Contract Capacity”). Throughout the Delivery Term, Seller shall sell all Product produced by the Project (net of station use) solely to Buyer and Buyer shall purchase all Product produced by the Project; provided, however, that in no event shall Buyer be obligated to receive or pay for, in any hour, any Delivered Energy that exceeds one hundred and ten percent (110%) of Contract Capacity.]

***[The following bracketed version of Section 3.1(f) Contract Capacity applies to all Baseload Products and Excess Sale transactions of As-Available Products]***

[(f) Contract Capacity]. The capacity of the Project shall be the Contract Capacity listed in the Cover Sheet (the “Contract Capacity”). Throughout the Delivery Term, Seller shall sell all Product produced by the Project solely to Buyer. In no event shall Buyer be obligated to receive or pay for, in any hour, any Product, as measured by Delivered Energy, that exceeds the Contract Capacity.]

(g) Project.

(i) All Product provided by Seller pursuant to this Agreement shall be supplied from the Project only. Seller shall not make any alteration or modification to the Project which results in a change to the Contract Capacity or the anticipated output of the Project without Buyer’s prior written consent. The Project is further described in the Cover Sheet.

(ii) Seller shall not relinquish its possession or demonstrable exclusive right to control the Project without the prior written consent of Buyer, except under circumstances provided in Section 10.6(b). Seller shall be deemed to have relinquished possession of the Project if after the Commercial Operation Date Seller has ceased work on the Project or ceased production and delivery of Product for a consecutive thirty (30) day period and such cessation is not a result of a Force Majeure event or direct action of Buyer.

(iii) The obligations of Seller hereunder may be satisfied by one or more units participating as a single “Aggregated Project” subject to the following.

(A) An Aggregated Project shall mean two or more facilities located on one or more contiguous or non-contiguous sites, each of which individual facilities is composed of units that are under common ownership of the Seller, employ the same technology and produce the same type of Product, and each of which has a nameplate capacity of no less than 500 kW, provided that all the facilities comprising the Aggregated Project share a single resource ID (that is, are deemed to deliver to the same PNode) and the Contract Capacity of the Aggregated Project is no more than 5 MW.

(B) For the purposes of this Agreement, all references to “site” shall mean “sites,” all references to “Project” shall mean “Projects” and all references to “facility” shall mean the “Aggregated Project,” when applied to an Aggregated Project.

(h) Interconnection Facilities.

(i) Seller Obligations. Seller shall (A) arrange and pay independently for any and all necessary costs under any interconnection agreement with the Participating Transmission Owner; (B) cause the Interconnection Customer’s Interconnection Facilities, including metering facilities to be maintained; and (C) comply with the procedures set forth in the SGIP and applicable agreements or procedures provided under the SGIP.

(ii) Coordination with Buyer. Seller shall (A) provide to Buyer copies of all material correspondence related thereto; and (B) provide Buyer with written reports of the status of the SGIA on a monthly basis. The foregoing shall not preclude Seller from executing an SGIA that it reasonably determines allows it to comply with its obligations under this Agreement and applicable Law.

(i) Performance Excuses.

(i) Seller Excuses. Seller shall be excused from achieving the Guaranteed Energy Production and Baseload Projects only shall be excused from achieving the Capacity Factor for the applicable time period during Seller Excuse Hours.

(ii) Buyer Excuses. The performance of Buyer to receive and/or pay for the Product shall be excused only (A) during periods of Force Majeure, (B) by Seller’s failure to perform, (C) during Curtailment Periods, or (D) Buyer Curtailment Periods.

(iii) Curtailment. Notwithstanding Section 3.1(b) and this Section 3.1(i), Seller shall reduce output from the Project during any Curtailment Period or Buyer Curtailment Periods.

(iv) No Excuse. Except for a failure or curtailment resulting from a Force Majeure or during a Curtailment Period, the failure of electric transmission or distribution service shall not excuse performance with respect to either Party for the delivery or receipt of Energy to be provided under this Agreement.

(A) Buyer Curtailment Requirements.

(I) Order and Limit. Buyer shall have the right to order Seller to promptly reduce generation from the Project pursuant to a Buyer Curtailment Order, provided that (1) Buyer Curtailment Periods shall be limited to a quantity of not more than 100 hours cumulatively per Contract Year; (2) the Buyer Curtailment Order shall be consistent with the Operational

Characteristics noted in the Cover Sheet; and (3) Buyer shall pay Seller for Deemed Delivered Energy pursuant to Article 4. Seller agrees to reduce the Project's generation by the amount and for the period set forth in the Buyer Curtailment Order.

(II) Failure to Comply. If Seller fails to comply with a Buyer Curtailment Order provided in compliance with Article Three or a Curtailment Order, then, for each MWh of Delivered Energy that the Project generated in violation of the Buyer Curtailment Order or the Curtailment Order, Seller shall pay Buyer an amount equal to the sum of (x) 100% of the Contract Price as adjusted by the TOD Factor(s) applicable for the hour or hours in which such curtailment was ordered; and (y) any penalties or other charges resulting from Seller's failure to comply with the Buyer Curtailment Order or the Curtailment Order, including but not limited to, the absolute value of the Resource-Specific Settlement Interval LMP for such Settlement Interval in which the violation occurred, if such LMP is less than zero dollars (\$0). Buyer shall retain any positive revenues received from the CAISO for such Settlement Interval.

(j) Greenhouse Gas Emissions Reporting. During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer's written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments with respect to generation by the Project reasonably necessary to permit Buyer to comply with such requirements, if any, subject to the Compliance Cost Cap.

(k) WREGIS. Seller shall, at its sole expense, but subject to the Compliance Cost Cap, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Delivered Energy are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred in a timely manner to Buyer for Buyer's sole benefit. Seller shall transfer the Renewable Energy Credits to Buyer even if Buyer does not accept and/or pay for the underlying energy per Section 3.1(f) or for Baseload Product only, pays less than the Contract Price for Delivered Energy per Section 4.6(c). Seller shall comply with all Laws, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. Seller shall be deemed to have satisfied the warranty in Section 3.1(k)(viii); provided that Seller fulfills its obligations under Sections 3.1(k)(i) through (vii) below. In addition:

(i) Prior to the Initial Energy Delivery Date, Seller shall register the Project with WREGIS and establish an account with WREGIS ("Seller's WREGIS Account"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer the WREGIS Certificates using "Forward Certificate Transfers" (as described in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) of Buyer or the account(s) of a designee that Buyer identifies by Notice to Seller ("Buyer's WREGIS Account"). Seller shall be responsible for all expenses associated with registering the Project with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

(ii) Seller shall cause Forward Certificate Transfers to occur on a monthly basis in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate.

(iii) Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the Delivered Energy for such calendar month as evidenced by the Project's metered data.

(iv) Due to the ninety (90) day delay in the creation of WREGIS Certificates relative to the timing of invoice payment under Article 6, Buyer shall make an invoice payment for a given month in accordance Article 6 before the WREGIS Certificates for such month are formally transferred to Buyer in accordance with the WREGIS Operating Rules and this Section 3.1(k). Notwithstanding this delay, Buyer shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Article 6.

(v) A "WREGIS Certificate Deficit" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Delivered Energy for the same calendar month ("Deficient Month"). If any WREGIS Certificate Deficit is caused, or the result of any action or inaction, by Seller, then the amount of Delivered Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for the purposes of calculating Buyer's payment(s) to Seller under Article 6 and the Guaranteed Energy Production for the applicable Performance Measurement Period. Any amount owed by Seller to Buyer because of a WREGIS Certificate Deficit shall be made as an adjustment to Seller's next monthly invoice to Buyer in accordance with Article 6, and Buyer shall net such amount against Buyer's subsequent payment(s) to Seller pursuant to Article 6.

(vi) Without limiting Seller's obligations under this Section 3.1(k), if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission.

(vii) If WREGIS changes the WREGIS Operating Rules after the Execution Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 3.1(k) after the Execution Date, the Parties promptly shall modify this Section 3.1(k) as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the Delivered Energy in the same calendar month.

(viii) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

(l) Access to Data and Installation and Maintenance of Weather Station.

(i) Commencing on the first date on which the Project generates Product to be delivered to the CAISO Grid or the Delivery Point, if different, and continuing throughout the Term, Seller shall provide to Buyer, in a form reasonably acceptable to Buyer, the following data on a real-time basis; provided that Seller shall agree to make and bear the cost of changes to any of the data delivery provisions below, as reasonably requested by Buyer, throughout the Term, which changes Buyer determines are necessary to forecast output from the Project:

(A) read-only access to meteorological measurements, [inverter] *[bracketed language applies to solar photovoltaic Projects only]* and transformer availability, any other facility availability information, all parameters necessary for use in the equation under item (G) of this list;



(B) read-only access to energy output information collected by the supervisory control and data acquisition (SCADA) system for the Project; provided that if Buyer is unable to access the Project's SCADA system, then upon written request from Buyer, Seller shall provide energy output information and meteorological measurements to Buyer in 1-minute intervals in the form of a flat file to Buyer through a secure file transport protocol (FTP) system with an e-mail back up for each flat file submittal;

(C) read-only access to the Project's CAISO revenue meter(s) and PNode and all Project meter data at the Site;

(D) full, real time access to the Project's Scheduling and Logging for the CAISO (SLIC) client application;

(E) net plant electrical output at the CAISO revenue meter(s);

***[Subparts (F) through (G) below shall only apply to wind and solar facilities]***

(F) instantaneous data measurements at sixty (60) second or increased frequency for the parameters set forth in Appendix XI (Telemetry Parameters for Wind or Solar Facilities), which measurements shall be provided by Seller to Buyer in consolidated data report at least once every five minutes via flat file through a secure file transport protocol (FTP) system with an e-mail backup; and

(G) an equation, updated on an ongoing basis to reflect the potential generation of the Project as a function of solar insolation, temperature, wind speed, and, if applicable, wind direction. Such equation shall take into account the expected availability of the facility. For any month in which the above information and access was not available to Buyer for longer than twenty-four (24) continuous hours, Seller shall prepare and provide to Buyer upon Buyer's request a report with the Project's monthly Settlement Interval Actual Available Capacity in the form set forth in Appendix X ("Actual Availability Report"). Upon Buyer's request, Seller shall promptly provide to Buyer any additional and supporting documentation necessary for Buyer to audit and verify any matters set forth in the Actual Availability Report. Buyer shall exercise commercially reasonable efforts to notify Seller of any deficiency by Seller in meeting the requirements of this Section 3.1(l)(i); provided that any failure by Buyer to provide such deficiency notice shall not result in any additional liability to Buyer under this Agreement.]

(ii) Buyer reserves the right to validate the data provided pursuant to Section 3.1(l)(i) with information publicly available from NOAA and nearby weather stations and substitute such data for its settlement purposes if Seller's data is inconsistent with the publicly available data or is missing; provided that Buyer shall notify Seller promptly of Buyer's substitution of such data.

(iii) Seller shall maintain at least a minimum of one hundred twenty (120) days' historical data for all data required pursuant to Section 3.1(l)(i), which shall be available on a minimum time interval of one hour basis or an hourly average basis, except with respect to the meteorological measurements which shall be available on a minimum time interval of ten (10) minute basis. Seller shall provide such data to Buyer within five (5) Business Days of Buyer's request.

(iv) Installation, Maintenance and Repair.

(A) Seller, at its own expense, shall install and maintain one (1) stand-alone meteorological station per Site ***[for Aggregated Projects, this applies to each component site***

*of the Project]* to monitor and report the meteorological data required in Section 3.1(1)(i) of this Agreement. Seller, at its own expense, shall install and maintain a secure communication link in order to provide Buyer with access to the data required in Section 3.1(1)(i) of this Agreement.

(B) Seller shall maintain the meteorological stations, telecommunications path, hardware, and software necessary to provide accurate data to Buyer or Third-Party SC (as applicable). Seller shall promptly repair and replace as necessary such meteorological stations, telecommunications path, hardware and software and shall notify Buyer as soon as Seller learns that any such telecommunications paths, hardware and software are providing faulty or incorrect data.

(C) If Buyer notifies Seller of the need for maintenance, repair or replacement of the meteorological stations, telecommunications path, hardware or software, Seller shall maintain, repair or replace such equipment as necessary within five (5) days of receipt of such Notice.

(D) For any occurrence in which Seller's telecommunications system is not available or does not provide quality data and Buyer notifies Seller of the deficiency or Seller becomes aware of the occurrence, Seller shall transmit data to Buyer through any alternate means of communication (i.e., cellular communications from onsite personnel, facsimile, blackberry or equivalent mobile e-mail) until the telecommunications link is re-established.

(v) Seller agrees and acknowledges that Buyer may seek from third parties any information relevant to its duties as SC for Seller, including from the Participating Transmission Operator. Seller hereby voluntarily consents to allow the Participating Transmission Operator to share Seller's information with Buyer in furtherance of Buyer's duties as SC for Seller, and agrees to provide the Participating Transmission Owner with written confirmation of such voluntary consent at least ninety (90) days prior to the Initial Energy Delivery Date.

(vi) For As-Available Product only, no later than ninety (90) days before the Initial Energy Delivery Date, Seller shall provide one (1) year, if available, but no less than six (6) months, of recorded meteorological data to Buyer in a form reasonably acceptable to Buyer from a weather station at the Site. (A) If the Product is solar, such weather station shall provide, via remote access to Buyer, all data relating to total global horizontal irradiance or direct normal insolation, air temperature, wind speed and direction, precipitation, barometric pressure, visibility in winter fog areas as applicable (forward scatter sensor) and humidity at the Site. If the Product is wind, such weather station shall provide, via remote access to Buyer, all data relating to wind speed and direction, standard deviation of wind direction, air temperature, barometric pressure, and humidity at the Site, and visibility in winter fog areas as applicable; (B) elevation, latitude and longitude of the weather station; and (C) any other data that would be required for participation in the EIRP.

(m) Prevailing Wage.

(i) Producer shall 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 as provided by Division 2, Part 7, Chapter 1 of the California Labor Code. Nothing herein shall require Producer, its contractors and subcontractors to comply with, or assume liability created by other inapplicable provisions of the Labor Code.

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

(n) Obtaining and Maintaining CEC Certification and Verification. Subject to the Compliance Cost Cap, Seller shall take all necessary steps including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification throughout the Term.

(o) Compliance Cost Cap. Costs applicable to the Compliance Cost Cap are only those costs applicable under the definition of “Compliance Cost” (Section 1.37) and are new costs associated with a change in law from the contract's Execution Date (or such later date, as provided in Section 3.4(a)(i)). The Parties agree that the Compliance Costs Seller shall be required to bear during the Delivery Term shall be capped annually at ten thousand dollars (\$10,000.00) per MW (AC) of Contract Capacity and in the aggregate throughout the Delivery Term at twenty thousand dollars (\$20,000.00) per MW (AC) of Contract Capacity (collectively, the “Compliance Cost Cap”). In the event and to the extent that the Compliance Costs incurred by Seller exceed the Compliance Cost Cap, Buyer shall either reimburse Seller for such Compliance Costs that exceed the Compliance Cost Cap, or excuse Seller from performing the obligations of this Agreement that would otherwise cause it to incur Compliance Costs in excess of the Compliance Cost Cap. Within sixty (60) days after the change, amendment, repeal, or enactment of Law after the Execution Date (or such later date, as provided in Section 3.4(a)(i)) which Seller anticipates will cause it to incur Compliance Costs in excess of the Compliance Cost Cap, Seller shall provide to Buyer Notice with an estimate of the expected annual Compliance Costs caused by such change in Law. Within thirty (30) days of the delivery of such Notice with the estimate, Buyer shall provide Seller Notice of (i) Buyer's request for Seller to incur the Compliance Costs in excess of the Compliance Cost Cap, (ii) Buyer's initiation of dispute resolution under Article 12, or (iii) Buyer's waiver of Seller's performance of such obligations. The Parties shall agree on a reasonable allocation, as between Seller and Buyer, over the remaining Term of any such Compliance Costs that are incurred after the fifteenth (15th) Contract Year and that are expected to benefit the Project beyond the Term of this Agreement. Any reimbursement by Buyer to Seller referenced above in this Section 3.1(o) shall be subject to CPUC approval, and the amount of such reimbursement shall not be paid by Buyer to Seller until such time as the CPUC has approved such payment. Seller shall be relieved from performing the obligations of this Agreement that would otherwise cause it to incur Compliance Costs in excess of the Compliance Cost Cap and which give rise to the payment that is the subject of the above referenced CPUC approval until such time as the CPUC issued its approval of the reimbursement payment in final and non-appealable form.

3.2 Green Attributes. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

3.3 Resource Adequacy.

(a) During the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Project's Contract Capacity, including Capacity Attributes, from the Project to enable Buyer to meet its Resource Adequacy or successor program requirements, as the CPUC, CAISO or other regional entity may prescribe (“Resource Adequacy Requirements”). Seller understands that the CPUC is currently in the process of developing requirements for Resource Adequacy and these requirements and the implementation thereof have not been finalized. Subject to the Compliance Cost Cap (except as provided in Section 3.4(a)(i)), Seller agrees that during the Delivery Term Seller shall, at a minimum, comply with the terms set forth in Appendix VII to enable Buyer to use all of the capacity, including Capacity Attributes, to be committed by Seller to Buyer pursuant to this Agreement to meet Buyer's

Resource Adequacy Requirements. Seller's compliance with the foregoing shall require compliance with the obligations in Section 3.4(a)(i)(A).

(b) Seller shall be responsible for all costs, charges, expenses, penalties, and obligations resulting from Availability Standards, if applicable, and Seller shall be entitled to retain all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards, if applicable.

(c) Buyer shall be responsible for all costs, charges, expenses, penalties, and obligations resulting from the Replacement Capacity Rules, if applicable, provided that Seller has given Buyer Notice of the outages subject to the Replacement Capacity Rules at least ninety (90) days before the first day of the month for which the outage will occur. If Seller fails to provide such Notice, then Seller shall be responsible for all costs, charges, expenses, penalties, and obligations resulting from the Replacement Capacity Rules for such outage.

(d) To the extent Seller has an exemption from the Availability Standards or the Replacement Capacity Rules under the CAISO Tariff, Sections 3.3(b) and 3.3(c) above shall not apply. If Seller would like to request an exemption for this Agreement from the CAISO, Seller shall provide to Buyer, as Seller's Scheduling Coordinator, Notice specifically requesting that Buyer seek certification or approval of this Agreement as an exempt contract pursuant to the CAISO Tariff; provided that Buyer's failure to obtain such exemption shall not be an Event of Default and Buyer shall not have any liability to Seller for such failure.

***[The following provision regarding Reliability Obligations applies to Baseload Product only.]***

(e) Reliability Must-Run Contract ("RMR Contract"), Interim Capacity Procurement Mechanism ("ICPM"), and Capacity Procurement Mechanism ("CPM") Obligations. If the CAISO and/or Seller wish to negotiate an RMR Contract, ICPM, CPM or similar capacity commitment under the CAISO Tariff that pertains to Unit(s) under this Agreement as of the Execution Date of this Agreement, Seller shall include Buyer in any such negotiations. If Seller enters into any new RMR Contract, ICPM, CPM, or similar capacity commitment affecting the Project, Seller shall assign the revenues from such contract, except for Monthly Surcharge Payments, the CAISO Repair Share, and Motoring Charges for Ancillary Services Dispatch ("Retained Revenues"), to Buyer.]

### 3.4 Transmission and Scheduling.

#### (a) Transmission.

(i) Seller's Transmission Service Obligations. As of the Test Period and during the Delivery Term:

(A) Seller shall arrange and pay independently for any and all necessary electrical interconnection, distribution and/or transmission (and any regulatory approvals required for the foregoing), sufficient to allow Seller to deliver the Product to the Delivery Point for sale pursuant to the terms of this Agreement. If Seller's Project has not been studied for Full Capacity Deliverability Status prior to the Execution Date, Seller shall request a Deliverability Assessment of the Project pursuant to Section 8.2 of the Generator Interconnection Procedures set forth in the CAISO Tariff (provided that it is eligible to do so) by making a request for such a study within the next available Cluster Application Window (also as set forth in the CAISO Tariff). Seller shall be obligated to secure Full Capacity Deliverability Status if it can obtain it with no additional cost to Seller. If the CAISO advises Seller that the Project has Full Capacity Deliverability Status, Seller shall Notify Buyer of such

status within five (5) Business Days of the date it receives notification from the CAISO of such status. The cost of each Deliverability Assessment shall be borne solely by Seller and shall not be subject to the Compliance Cost Cap.

(B) Seller shall bear all risks and costs associated with such transmission service, including, but not limited to, any transmission outages or curtailment to the Delivery Point.

(C) Seller shall fulfill all contractual, metering and applicable interconnection requirements, including those set forth in the Participating Transmission Owner's applicable tariffs, the CAISO Tariff and implementing CAISO standards and requirements, so as to be able to deliver Energy to the CAISO Grid.

(ii) Buyer's Transmission Service Obligations. As of the Test Period and during the Delivery Term,

(A) Buyer shall arrange and be responsible for transmission service at and from the Delivery Point.

(B) Buyer shall bear all risks and costs associated with such transmission service, including, but not limited to, any transmission outages or curtailment from the Delivery Point.

(C) Buyer shall Schedule or arrange for Scheduling Coordinator services with its Transmission Providers to receive the Product at the Delivery Point.

(D) Buyer shall be responsible for all CAISO costs and charges, electric transmission losses and congestion at and from the Delivery Point.

***[The following Section (b) EIRP Requirements applies to EIRP-eligible facilities only]***

(b) EIRP Requirements. Seller shall provide Buyer with a copy of the notice from CAISO certifying the Project as a Participating Intermittent Resource as soon as practicable after Seller's receipt of such notice of certification. As of the first date of the Test Period and until the Project receives certification as a Participating Intermittent Resource, Seller, at its sole cost, shall comply with EIRP and all additional protocols issued by the CAISO for Eligible Intermittent Resources. Throughout the Delivery Term, (i) Seller, at its sole cost, shall participate in and comply with (A) EIRP and all additional protocols issued by the CAISO for a Participating Intermittent Resource (if directed by Buyer, in its sole discretion, to participate in such program) or, (B) if the EIRP is no longer available by the CAISO, then all protocols, rules or regulations issued by the CAISO for generating facilities providing energy on an intermittent basis; and (ii) Buyer in its limited capacity as Seller's Scheduling Coordinator shall facilitate communication with the CAISO and provide other administrative materials to CAISO as necessary to satisfy Seller's obligations as Seller's Scheduling Coordinator and to the extent such actions are at de minimis cost to Buyer.

(c) Scheduling Coordinator. Buyer shall act as the Scheduling Coordinator for the Project. In that regard, Buyer and Seller shall agree to the following:

(i) Designation as Scheduling Coordinator.

(A) At least ninety (90) days before the beginning of the Test Period Seller shall take all actions and execute and deliver to Buyer all documents necessary to authorize or designate Buyer, or Third-Party SC, as Seller's Scheduling Coordinator, and Buyer or Third-Party SC, as applicable, shall take all actions and execute and deliver to Seller or CAISO all documents necessary to become and act as Seller's Scheduling Coordinator. If Buyer designates a Third-Party SC, then Buyer shall give Seller Notice of such designation at least ten (10) Business Days before the Third-Party SC assumes Scheduling Coordinator duties hereunder, and Seller shall be entitled to rely on such designation until it is revoked or a new Third-Party SC is appointed by Buyer upon similar Notice. Buyer shall be fully responsible for all acts and omissions of Third-Party SC and for all cost, charges and liabilities incurred by Third-Party SC to the same extent that Buyer would be responsible under this Agreement for such acts, omissions, costs, charges and liabilities if taken, omitted or incurred by Buyer directly.

(B) Seller shall not authorize or designate any other party to act as Scheduling Coordinator, nor shall Seller perform, for its own benefit, the duties of Scheduling Coordinator during the Test Period and Delivery Term.

(ii) Buyer's Responsibilities as Scheduling Coordinator. Buyer or Third-Party SC shall comply with all obligations as Seller's Scheduling Coordinator under the CAISO Tariff and shall conduct all Scheduling in full compliance with the terms and conditions of this Agreement, the applicable CAISO Tariff, all requirements of EIRP (if applicable), and protocols and scheduling practices for Energy on a Day-Ahead or Hour-Ahead basis, as such terms are defined in the CAISO Tariff.

(iii) Available Capacity Forecasting. Seller shall provide the Available Capacity forecasts described below. ***[The following bracketed language applies to As-Available solar or wind Projects only]*** [Seller's availability forecasts below shall include Project availability and updated status of ***[The following bracketed language applies to solar Projects only]*** [photovoltaic panels, inverters, transformers, and any other equipment that may impact availability] or ***[The following bracketed language applies to wind Projects only]*** [transformers, wind turbine unit status, and any other equipment that may impact availability].] ***[The following bracketed language applies to As-Available Product only]*** [To avoid Forecasting Penalties set forth in Section 4.6(c)(iii),] Seller shall use commercially reasonable efforts to forecast the Available Capacity of the Project accurately and to transmit such information in a format reasonably acceptable to Buyer. Buyer and Seller shall agree upon reasonable changes to the requirements and procedures set forth below from time-to-time, as necessary to comply with CAISO Tariff changes, accommodate changes to their respective generation technology and organizational structure and address changes in the operating and Scheduling procedures of Buyer, Third-Party SC (if applicable) and the CAISO, including but not limited to automated forecast and outage submissions.

(A) Annual Forecast of Available Capacity. No later than (I) the earlier of July 1 of the first calendar year following the Execution Date or one hundred and eighty (180) days before the first day of the first Contract Year of the Delivery Term ("First Annual Forecast Date"), and (II) on or before July 1 for each calendar year from the First Annual Forecast Date for every subsequent Contract Year during the Delivery Term, Seller shall provide to Buyer and Third-Party SC (if applicable) a non-binding forecast of the hourly Available Capacity for each day in each month of the following calendar year in a form reasonably acceptable to Buyer.

(B) Monthly Forecast of Available Capacity. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer and Third-Party SC (if applicable) a non-binding forecast of the hourly Available Capacity for each day of the following month in a form reasonably acceptable to Buyer.

(C) Daily Forecast of Available Capacity. During each month of the Delivery Term, Seller or Seller's agent shall provide a binding day ahead forecast of Available Capacity (the "Day-Ahead Availability Notice") to Buyer or Third-Party SC (as applicable) via Buyer's internet site, as provided in Appendix VI, for each day no later than fourteen (14) hours before the beginning of the "Preschedule Day" (as defined by the WECC) for such day. For Baseload Product, the capacity forecasted in the Day-Ahead Availability Notice will be the scheduled output of the Project. The current industry standard Preschedule Day timetable in the WECC is as follows:

- (1) Monday - Preschedule Day for Tuesday
- (2) Tuesday - Preschedule Day for Wednesday
- (3) Wednesday - Preschedule Day for Thursday
- (4) Thursday - Preschedule Day for Friday and Saturday
- (5) Friday - Preschedule Day for Sunday and Monday

Exceptions to this standard Monday through Friday Preschedule Day timetable are presently set forth by the WECC in order to accommodate holidays, monthly transitions and other events. Exceptions are posted on the WECC website ([www.wecc.biz](http://www.wecc.biz)) under the document title, "Preschedule Calendar." Each Day-Ahead Availability Notice shall clearly identify, for each hour, Seller's forecast of all amounts of Available Capacity pursuant to this Agreement. If the Available Capacity changes by at least one (1) MW (AC) as of a time that is more than fourteen (14) hours prior to the Preschedule Day but prior to the CAISO deadline for Day-Ahead Schedules, then Seller must notify Buyer of such change by telephone and shall send a revised notice to Buyer's Internet site set forth in Appendix VI. Such Notices shall contain information regarding the beginning date and time of the event resulting in the change in Available Capacity, the expected end date and time of such event, the expected Available Capacity in MW (AC), and any other necessary information.

Day-Ahead Trading Desk  
Primary Telephone: (415) 973-6222  
Backup Telephone: (415) 973-4500

If Seller fails to provide Buyer with a Day-Ahead Availability Notice as required herein, then, (I) until Seller provides a Day-Ahead Availability Notice, Buyer may rely on the most recent Day-Ahead Forecast of Available Capacity submitted by Seller to Buyer and Seller and (II) to the extent Seller's failure contributes to an imbalance charge, Seller shall be subject to the Forecasting Penalties set forth in Section 4.6(c)(iii).

(D) Hourly Forecast of Available Capacity. During the Delivery Term, Seller shall notify Buyer of any changes in Available Capacity of one (1) MW (AC) or more, whether due to Forced Outage, Force Majeure or other cause, as soon as reasonably possible, but no later than one (1) hour before Buyer or Third-Party SC (as applicable) is required to submit Hour-Ahead schedules to the CAISO. Available Capacity changes after one (1) hour before the CAISO deadline for Hour-Ahead Schedules, but before the CAISO Hour-Ahead deadline, shall also be reported by Seller to Buyer as soon as reasonably possible. Such Notices shall contain information regarding the beginning date and time of the event resulting in the change in Available Capacity, the expected end date and time of such event, the expected Available Capacity in MW (AC), and any other information required by the CAISO or reasonably requested by Buyer. With respect to any Forced Outage, Seller shall use commercially reasonable efforts to notify Buyer of such outage within ten (10) minutes of the commencement of the Forced Outage. Seller shall inform Buyer of any developments that will affect either the duration of such outage or the availability of the Project during or after the end of such outage. These notices and changes to Available Capacity shall be communicated by telephone to Buyer's Hour-Ahead Trading Desk and shall be sent to Buyer's internet site as set forth in Appendix VI:

Hour-Ahead Trading Desk  
Primary Telephone: (415) 973-4500

(iv) Replacement of Scheduling Coordinator.

(A) At least ninety (90) days prior to the end of the Delivery Term, or as soon as practicable before the date of any termination of this Agreement prior to the end of the Delivery Term, Seller shall take all actions necessary to terminate the designation of Buyer or the Third-Party SC, as applicable, as Seller's SC. These actions include (I) submitting to the CAISO a designation of a new SC for Seller to replace Buyer or the Third-Party SC (as applicable); (II) causing the newly-designated SC to submit a letter to the CAISO accepting the designation; and (III) informing Buyer and the Third-Party SC (if applicable) of the last date on which Buyer or the Third-Party SC (as applicable) will be Seller's SC.

(B) Buyer shall submit, or if applicable cause the Third-Party SC to submit, a letter to the CAISO identifying the date on which Buyer (or Third-Party SC, as applicable) resigns as Seller's SC on the first to occur of either (I) thirty (30) days prior to the end of the Delivery Term or (II) the date of any early termination of this Agreement.

3.5 Standards of Care.

(a) General Operation. Seller shall comply with all applicable requirements of Law, the CAISO, NERC and WECC relating to the Project (including those related to construction, ownership and/or operation of the Project).

(b) CAISO and WECC Standards. Each Party shall perform all generation, scheduling and transmission services in compliance with all applicable (i) operating policies, criteria, rules, guidelines, tariffs and protocols of the CAISO, (ii) WECC scheduling practices and (iii) Good Utility Practices.

(c) Reliability Standard. Seller agrees to abide by (i) CPUC General Order No. 167, "Enforcement of Maintenance and Operation Standards for Electrical Generating Facilities", and (ii) all applicable requirements regarding interconnection of the Project, including the requirements of the interconnected Participating Transmission Owner.

3.6 Metering. All output from the Project, or in the case of an Aggregated Project, all output from each site composing the Project, per the terms of this Agreement must be delivered through a single CAISO revenue meter per site and that meter must be dedicated exclusively to the Project (or in the case of an Aggregated Project, the portion of the Project located on such site). All Product purchased under this Agreement must be measured by the Project's CAISO revenue meter(s) to be eligible for payment under this Agreement. Seller shall bear all costs relating to all metering equipment installed to accommodate the Project. In addition, Seller hereby agrees to provide all meter data to Buyer in a form acceptable to Buyer, and consents to Buyer obtaining from the CAISO the CAISO meter data applicable to the Project and all inspection, testing and calibration data and reports. Seller shall grant Buyer the right to retrieve the meter reads from the CAISO Operational Meter Analysis and Reporting (OMAR) web and/or directly from the CAISO meter(s) at the Project site(s). If the CAISO makes any adjustment to any CAISO meter data for a given time period, Seller agrees that it shall submit revised monthly invoices, pursuant to Section 6.2, covering the entire applicable time period in order to conform fully such adjustments to the meter data. Seller shall submit any such revised invoice no later than thirty (30) days from the date on which the CAISO provides to Seller such binding adjustment to the meter data.



### 3.7 Outage Notification.

(a) CAISO Approval of Outage(s). Buyer is responsible for securing CAISO approvals for Project outages, including securing changes in outage schedules when CAISO disapproves Buyer's schedules or cancels previously approved outages. Buyer shall put forth commercially responsible efforts to secure and communicate CAISO approvals for Project outages in a timely manner to Seller. Buyer is responsible for entering Project outages in the Scheduling and Logging system for the CAISO (SLIC).

(b) Planned Outages. During the Delivery Term, Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by complying with the Annual Forecast of Available Capacity described in Section 3.4(c)(iii)(a) and implementing the notification procedures set forth in Appendix VI. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld or conditioned. Seller shall also confirm or provide updates to Buyer regarding the Planned Outage no later than fourteen (14) days prior to each Planned Outage. Seller shall not conduct Planned Outages during the months of January, June through September, and December. During all other months, Seller shall not schedule Planned Outages without the prior written consent of Buyer, which consent may not be unreasonably withheld or conditioned. Seller shall contact Buyer with any requested changes to the Planned Outage schedule if Seller believes the Project must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Good Utility Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld or conditioned. Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage. Subject to Section 3.7(a), after any Planned Outage has been scheduled, at any time up to the commencement of work for the Planned Outage, Buyer may direct that Seller change its outage schedule as ordered by CAISO. For non-CAISO ordered changes to a Planned Outage schedule requested by Buyer, Seller shall notify Buyer of any incremental costs associated with such schedule change and an alternative schedule change, if any, that would entail lower incremental costs. If Buyer agrees to pay the incremental costs, Seller shall use commercially reasonable efforts to accommodate Buyer's request.

(c) Forced Outages. Seller shall notify Buyer of a Forced Outage within ten (10) minutes of the commencement of the Forced Outage and in accordance with the notification procedures set forth in Appendix VI. Buyer shall put forth commercially reasonable efforts to submit such outages to CAISO.

(d) Prolonged Outages. Seller shall notify Buyer of a Prolonged Outage as soon as practicable in accordance with the notification provisions in Appendix VI. Seller shall notify Buyer in writing when the Project is again capable of meeting its Contract Quantity on a *pro rata* basis also in accordance with the notification provisions in Appendix VI. Seller shall not substitute Energy from any other source for the output of the Project during a Prolonged Outage.

(e) Force Majeure. Within two (2) Business Days of commencement of an event of Force Majeure, the non-performing Party shall provide the other Party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of an event of Force Majeure the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely Notice constitutes a waiver of a Force Majeure claim. Seller shall not substitute Products from any other source for the output of the Project during an outage resulting from Force Majeure. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure. Buyer shall not be required to make any payments for any Products that Seller fails to deliver or provide as a result of Force Majeure during the term of a Force Majeure.

(f) Communications with CAISO. Buyer shall be responsible for all outage coordination communications with CAISO outage coordination personnel and CAISO operations management, including submission to CAISO of updates of outage plans, submission of clearance requests, and all other outage-related communications.

(g) Changes to Operating Procedures. Notwithstanding any language to the contrary contained in Sections 3.4, 3.6, 3.7 or 3.8 or Appendix VI, Seller understands and acknowledges that the specified access to data and installation and maintenance of weather station, transmission and scheduling mechanisms, metering requirements, Outage Notification Procedures and operating procedures described in the above-referenced sections are subject to change by Buyer from time to time and, upon receipt of Notice of any such changes, Seller agrees to work in good faith to implement any such changes as reasonably deemed necessary by Buyer; provided that such change does not result in an increase cost of performance to Seller hereunder other than de minimis amounts.

### 3.8 Operations Logs and Access Rights.

(a) Operations Logs. Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include, but not be limited to, information on power production, [fuel consumption,] [Bracketed language for applicable Baseload Product only] efficiency, availability, maintenance performed, outages, results of inspections, manufacturer recommended services, replacements, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices. Seller shall provide this information electronically to Buyer within thirty (30) days of Buyer's request.

(b) Access Rights. Buyer, its authorized agents, employees and inspectors may, on reasonable advance notice (which no case shall be less than three (3) Business Days) visit the Project during normal business hours for purposes reasonably connected with this Agreement or the exercise of any and all rights secured to Buyer by Law, or its tariff schedules, PG&E Interconnection Handbook, Electric Rule 21, and rules on file with the CPUC. In connection with the foregoing, Buyer, its authorized agents, employees and inspectors must (i) at all times adhere to all safety and security procedures as may be required by Seller; (ii) not interfere with the operation of the Project; and (iii) unless waived in writing by Seller, be escorted by a representative of Seller. Buyer shall make reasonable efforts to coordinate its emergency activities with the Safety and Security Departments, if any, of the Project operator. Seller shall keep Buyer advised of current procedures for contacting the Project operator's Safety and Security Departments.

### 3.9 New Generation Facility.

- (a) Seller, at no cost to Buyer, shall be responsible to:
- (i) Design and construct the Project.
  - (ii) Perform all studies, pay all fees, obtain all necessary approvals and execute all necessary agreements with the CAISO, the Participating Transmission Owner, and the applicable distribution provider for the Interconnection Facilities to Schedule and deliver the Product.
  - (iii) Acquire all permits and other approvals necessary for the construction, operation, and maintenance of the Project.
  - (iv) Complete all environmental impact studies necessary for the construction, operation, and maintenance of the Project.

(v) At Buyer's request, provide to Buyer Seller's electrical specifications and design drawings pertaining to the Project for Buyer's review prior to finalizing design of the Project and before beginning construction work based on such specifications and drawings. Seller shall provide to Buyer reasonable advance Notice of any changes in the Project and provide to Buyer specifications and design drawings of any such changes.

(vi) Within fifteen (15) days after the close of each month from the first month following the Execution Date until the Commercial Operation Date, provide to Buyer a Monthly Progress Report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. The Monthly Progress Report shall indicate whether Seller is on target to meet the Guaranteed Commercial Operation Date.

***[The following bracketed Section 3.9(a)(vii) applies to As-Available Products only]***

*[(vii) Provide to Buyer a copy of the Final Output Report, and any updates thereafter for the time period beginning on the Effective Date and ending on the last day of the first Contract Year.]*

***[The following bracketed Section 3.9(a)(vii) applies to geothermal Projects only]***

*[(vii) Provide to Buyer copies of all Geothermal Reservoir Reports and any revisions thereto, for the time period beginning on the Effective Date and ending on the last day of the first Contract Year.]*

(b) Buyer shall have the right, but not the obligation, to:

(i) Notify Seller in writing of the results of the review within thirty (30) days of Buyer's receipt of all specifications for the Project, including a description of any flaws perceived by Buyer in the design.

(ii) Inspect the Project's construction site or on-site Seller data and information pertaining to the Project during business hours upon reasonable notice.

(c) Guaranteed Commercial Operation Date.

(i) The Parties agree time is of the essence in regards to the Agreement. As such, Seller shall have demonstrated Commercial Operation per the terms of Appendix IV by the Guaranteed Commercial Operation Date, which date shall be no later than eighteen (18) months after the Effective Date of this Agreement, provided that for a New Project, the Guaranteed Commercial Operation Date may be extended on a day for day basis for not more than six (6) months:

(A) if Seller has used commercially reasonable efforts (including but not limited to Seller's timely filing of required documents and payment of all applicable fees) to obtain permits necessary for the construction and operation of the Project, but is unable to obtain such permits due to delays beyond Seller's reasonable control ("Permitting Delay");

(B) if Seller has used commercially reasonable efforts (including but not limited to Seller's timely filing of required documents and payment of all applicable fees) to have the Project physically interconnected to the CAISO Grid, or to the Participating Transmission Owner's distribution system, as applicable, and to complete all Electric System Upgrades needed, if any, in order to interconnect the Project, as required herein, to the CAISO Grid, but fails to secure any necessary

commitments from CAISO or the Participating Transmission Owner for such interconnection and upgrades due to delays beyond Seller's reasonable control ("Transmission Delay");

(C) in the event of Force Majeure ("Force Majeure Extension") without regard to Transmission Delay or Permitting Delay; provided that Seller works diligently to resolve the effect of the Force Majeure and provides evidence of its efforts promptly to Buyer upon Buyer's written request.

(D) Notwithstanding the foregoing, if Seller claims a Permitted Extension such extension cannot cumulatively exceed six (6) months and all Permitted Extensions taken shall be concurrent, rather than cumulative, during any overlapping days.

***[The following bracketed clauses (ii) and (iii) are applicable solely to a New Project:]***

***[(ii) Notice of Permitted Extension.***

(A) In order to request a Permitting Delay or Transmission Delay (individually and collectively, "Delay"), Seller shall provide Buyer with Notice of the requested Delay no later than sixty (60) days prior to original date of the Guaranteed Commercial Operation Date, which Notice must clearly identify the Delay being requested, the length of the Delay requested (up to six (6) months), and include information necessary for Buyer to verify the length and qualification of the Delay. Buyer shall use reasonable discretion to grant or deny the requested extension, and shall provide Seller Notice of its decision within a reasonable time;

(B) In the case of a Force Majeure Extension, Seller shall provide Notice as soon as possible after the occurrence of the Force Majeure event.

(iii) Failure to Meet Guaranteed Commercial Operation Date. Seller shall cause the Project to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date; provided, however, that the Commercial Operation Date shall not occur more than one hundred eighty (180) days prior to the Guaranteed Commercial Operation Date. If the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date after giving effect to Permitted Extensions or Force Majeure, then Buyer shall be entitled to declare an Event of Default and collect a Termination Payment pursuant to Article Five.]

***[The following subsections (d) and (e) are applicable solely to a New Project:]***

***[(d) Resize of Project Due to Permit Failure.***

(i) If Seller has not received or obtained by the earlier of the Expected Construction Start Date and the date that is six months after the Effective Date final and non-appealable material Governmental Approvals required for the construction of the Project with the Contract Capacity set forth in the Cover Sheet, after using commercially reasonable efforts to do so (including, but not limited to, timely filings with all applicable Governmental Authorities and timely payment of any required fees) ("Permit Failure"), Seller may make a Contract Capacity Commitment on the Expected Construction Start Date (as may be extended), equal to, at a minimum, seventy percent (70%) of the Contract Capacity set forth in the Cover Sheet, provided that such amount shall also be the maximum amount of the generation capacity permitted under the final and non-appealable material Governmental Approvals that Seller has received as of the Expected Construction Start Date (as may be extended), and may not be under one (1) MW (AC), and provided further that for a period of two (2) years from any such resizing pursuant to this Section 3.9(d), Seller must offer Buyer a Right of First Offer for any Products

from the Project up to the Contract Capacity set forth in the Cover Sheet as further provided in Section 3.9(e), below. Seller shall provide Notice of such Contract Capacity Commitment to Buyer no later than ten (10) Business Days following the Expected Construction Start Date.

(ii) In the event that the Contract Capacity is reduced pursuant to Section 3.9(d)(i) above, the Contract Quantity during each Contract Year set forth in the Delivery Term Contract Schedule in the Cover Sheet shall be adjusted proportionately with such reduction.

(iii) In the event that the Contract Capacity and Contract Quantity are reduced pursuant to Sections 3.9(d)(i) and (ii), the revised Contract Capacity and Contract Quantity shall be used to determine Seller's performance under the Agreement, including but not limited to the amount of Guaranteed Energy Production under Section 3.1(e) and the amount of Delivery Term Security required under Section 8.4.

(iv) If the final Contract Capacity is less than the initial Contract Capacity due to a resize of the Project pursuant to Sections 3.1(e)(ii) and 3.9(d)(i), then Seller shall forfeit a proportional share of the Project Development Security on a percent-for-percent basis.

(e) Right of First Offer.

(i) If Seller resizes the Project due to Permit Failure, then for a period of two (2) years from the date on which Seller Notifies Buyer of the Contract Capacity Commitment ("Exclusivity Period"), neither Seller, its successors and assigns, nor its Affiliates shall enter into an obligation or agreement to sell or otherwise transfer any Products from the Project in excess of the Contract Capacity Commitment, up to the Contract Capacity set forth in the Cover Sheet, to any third party, unless Seller first offers, in writing, to sell to Buyer such Products from the Project on the same terms and conditions as this Agreement, subject to permitted modifications identified in subpart (ii) below, (the "First Offer") and Buyer either accepts or rejects such First Offer in accordance with the provisions herein.

(ii) If Buyer accepts the First Offer, Buyer shall Notify Seller within thirty (30) days of receipt of the First Offer subject to Buyer's management approval and CPUC Approval ("Buyer's Notice"), and then the Parties shall have not more than ninety (90) days from the date of Buyer's Notice to enter into a new power purchase agreement, in substantially the same form as this Agreement, or amend this Agreement, subject to CPUC Approval, if necessary; provided that the Contract Price may only be increased to reflect Seller's documented incremental costs in overcoming the Permit Failure.

(iii) If Buyer rejects or fails to accept Seller's First Offer within thirty (30) days of receipt of such offer, Seller shall thereafter be free to sell or otherwise transfer, and to enter into agreements to sell or otherwise transfer, any Products from the Project to any third party, so long as the material terms and conditions of such sale or transfer are not more favorable to the third party than those of the First Offer to Buyer. If, during the Exclusivity Period, Seller desires to enter into an obligation or agreement with a third party, Seller shall deliver to Buyer a certificate of an authorized officer of Seller (A) summarizing the material terms and conditions of such agreement and (B) certifying that the proposed agreement with the third party will not provide Seller with a lower rate of return than that offered in the First Offer to Buyer. If Seller is unable to deliver such a certificate to Buyer, then Seller may not sell or otherwise transfer, or enter into an agreement to sell or otherwise transfer, the Products from the Project without first offering to sell or otherwise transfer such Products to Buyer on such more favorable terms and conditions (the "Revised Offer") in accordance with subpart (ii) above. If within thirty (30) days of receipt of Seller's Revised Offer the Buyer rejects, or fails to accept by Notice to

Seller, the Revised Offer, then Seller will thereafter be free to sell or otherwise transfer, and to enter into agreements to sell or otherwise transfer, such Products from the Project to any third party on such terms and conditions as set forth in the certificate.]

**ARTICLE FOUR: COMPENSATION; MONTHLY PAYMENTS**

4.1 Contract Price. The Contract Price for each MWh of Product as measured by Delivered Energy in each Contract Year is set forth in the Cover Sheet.

4.2 TOD Periods. The time of delivery periods (“TOD Periods”) specified below shall be referenced by the following designations:

Monthly Period	TOD PERIOD		
	1. Super-Peak	2. Shoulder	3. Night
A. June - September	A1	A2	A3
B. Oct. - Dec., Jan. & Feb.	B1	B2	B3
C. Mar. - May	C1	C2	C3

Monthly Period Definitions. The Monthly Periods are defined as follows:

- A. June - September;
- B. October, November, December, January and February; and
- C. March - May.

TOD Period Definitions. The TOD Periods are defined as follows:

1. **Super-Peak** (5x8) = hours ending 13 - 20 (Pacific Prevailing Time (PPT)) Monday - Friday (except NERC Holidays) in the applicable Monthly Period.
2. **Shoulder** = hours ending 7 - 12, 21 and 22 PPT Monday - Friday (except NERC Holidays); and hours ending 7 - 22 PPT Saturday, Sunday and all NERC Holidays in the applicable Monthly Period.
3. **Night** (7x8) = hours ending 1 - 6, 23 and 24 PPT all days (including NERC Holidays) in the applicable Monthly Period.

“NERC Holidays” mean the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day, occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the fourth (4th) Thursday in November. New Year’s Day, Independence Day, and Christmas Day occur on the same date each year, but in the event any of these holidays occur on a Sunday, the “NERC Holiday” is celebrated on the Monday immediately following that Sunday; and if any of these holidays occur on a Saturday, the “NERC Holiday” remains on that Saturday. Notwithstanding anything to the contrary in this Section 4.2, NERC Holidays shall be calculated as “Shoulder” hours for all non-“Night” hours and any remaining hours shall be calculated as “Night” hours.

4.3 Capacity Factor. The Capacity Factor shall be calculated by TOD Period and defined as the percentage amount resulting from Delivered Energy in the applicable TOD Period divided by the product resulting from multiplying the Contract Capacity times the number of hours in the applicable TOD Period minus Seller Excuse Hours in the applicable TOD Period (“Capacity Factor”):

$$\text{Capacity Factor} = \text{Delivered Energy} / (\text{Contract Capacity} \times (\text{Hours in TOD Period} \text{ minus Seller Excuse Hours})).$$

4.4 TOD Factors and Monthly TOD Payment.

(a) TOD Factors. In accordance with all other terms of this Article Four, the Contract Price for Delivered Energy and Deemed Delivered Energy shall be adjusted by the following Time of Delivery Factors (“TOD Factors”) for each of the specified TOD Periods in which Delivered Energy or Deemed Delivered Energy is delivered:

<b>TOD FACTORS FOR EACH TOD PERIOD</b>			
<b>Period</b>	<b>1. Super-Peak</b>	<b>2. Shoulder</b>	<b>3. Night</b>
A. June - Sept.	2.37533	1.11825	0.59239
B. Oct. - Feb.	1.09773	0.94493	0.66147
C. Mar. - May	1.21965	0.89580	0.60634

(b) Monthly TOD Payment. For each month, Buyer shall pay Seller for Delivered Energy and Deemed Delivered Energy in each TOD Period (“Monthly TOD Payment”) the amount resulting from multiplying the Contract Price times the TOD Factor for the applicable TOD Period, times the Delivered Energy in each hour:

$$\text{Monthly TOD Payment} = \sum_{\text{hour}=1}^n \text{Contract Price } \$ * \text{TOD Factor} * (\text{Delivered Energy } MW_{\text{hour}} + \text{Deemed Delivered Energy } MW_{\text{hour}})$$

Notwithstanding the foregoing, for Baseload Products, the payment obligation is modified as provided in Section 4.6(c).

***[Section 4.5 Excess Delivered Energy below applies to Full Buy-Sell transactions of As-Available Product only]***

*[4.5 Excess Delivered Energy. In any Contract Year, if the amount of Delivered Energy plus the amount of Deemed Delivered Energy exceeds one hundred twenty percent (120%) of the annual Contract Quantity amount, the Contract Price for such Delivered Energy and Deemed Delivered Energy in excess of such one hundred twenty percent (120%) shall be adjusted to be seventy-five percent (75%) of the applicable Contract Price.]*

4.6 CAISO Charges.

(a) Seller shall assume all liability and reimburse Buyer for any and all CAISO Penalties incurred by Buyer because of Seller’s failure to perform any covenant or obligation set forth in this Agreement. Buyer shall assume all liability and reimburse Seller for any and all CAISO Penalties, incurred by Seller because of Buyer’s actions.

(b) Buyer shall be responsible for all costs and charges assessed by the CAISO with respect to Scheduling and imbalances except as provided in Section 4.6(c) below. Seller and Buyer shall

cooperate to minimize such charges and imbalances to the extent possible. Seller shall use commercially reasonable efforts to monitor imbalances and shall promptly notify Buyer as soon as possible after it becomes aware of any material imbalance that is occurring or has occurred. Such notification shall not alter Seller's and Buyer's respective responsibilities for payment for imbalance and congestion charges and CAISO Penalties under this Agreement. Throughout the Delivery Term, Buyer shall be entitled to all Integrated Forward Market Load Uplift Obligation credits (as defined or required for MRTU under the CAISO Tariff) associated with the Energy generated from the Project.

(c) Forecasting Penalties.

(i) Subject to Force Majeure, in the event Seller does not in a given hour either (A) provide the access and information required in Section 3.1(l)(i); (B) comply with the installation, maintenance and repair requirements of Section 3.1(l)(iv); or (C) provide the forecast of Available Capacity required in Section 3.4(c)(iii), and the sum of Energy Deviations for each of the six Settlement Intervals in the given hour exceeded the Performance Tolerance Band defined below, then Seller will be responsible for Forecasting Penalties as set forth below.

(ii) The Performance Tolerance Band is five percent (5%) multiplied by Contract Capacity multiplied by one (1) hour.

(iii) Forecasting Penalties. The Forecasting Penalty shall be equal to one hundred fifty percent (150%) of the Contract Price for each MWh of Energy Deviation outside the Performance Tolerance Band, or any portion thereof, in every hour for which Seller fails to meet the requirements in this Section 4.6(c)(i). Settlement of Forecasting Penalties shall occur as set forth in Section 6.1 of this Agreement.

4.7 Test Period Payments. During the Test Period Seller's full compensation for Product sold to Buyer shall be the CAISO Revenues for the Delivered Energy, which revenues Buyer shall forward promptly to Seller in accordance with the schedule described in Section 6.1.

4.8 Additional Compensation.

(a) To the extent not otherwise provided for in this Agreement, in the event that Seller is compensated by a third party for any Products produced by the Project, including, but not limited to, compensation for Resource Adequacy or Green Attributes, Seller shall remit all such compensation directly to Buyer; provided that for avoidance of doubt, nothing herein precludes Seller from retaining credits related to Electric System Upgrades contemplated in Section 3.1(h)(i).

(b) To the extent that during the Delivery Term Seller (at a nominal or no cost to Seller) is exempt from, reimbursed for or receives any refunds, credits or benefits from CAISO for congestion charges or Congestion Revenue Rights (as defined in the CAISO Tariff), whether due to any adjustments in Congestion Revenue Rights or any Locational Marginal Price (as defined in the CAISO Tariff), market adjustments, invoice adjustments, or any other hedging instruments associated with the Product (collectively, any such refunds, credits or benefits are referred to as "Reductions"), then, at Buyer's option, either (i) Seller shall transfer any such Reductions and their related rights to Buyer less any costs incurred by Seller in connection with such Reductions; or (ii) Buyer shall reduce payments due to Seller under this Agreement in amounts equal to the Reductions less any costs incurred by Seller in connection with such Reduction and Seller shall retain the Reductions.



## ARTICLE FIVE: EVENTS OF DEFAULT; PERFORMANCE REQUIREMENT; REMEDIES

5.1 Events of Default. An “Event of Default” shall mean,

(a) with respect to a Party that is subject to the Event of Default, the occurrence of any of the following:

(i) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) Business Days after written Notice is received by the Party failing to make such payment;

(ii) any representation or warranty made by such Party herein (A) is false or misleading in any material respect when made or (B) with respect to Section 10.2(b), becomes false or misleading in any material respect during the Delivery Term; provided that, if a change in Law occurs after the Execution Date that causes the representation and warranty made by Seller in Section 10.2(b) to be materially false or misleading, such breach of the representation or warranty in Section 10.2(b) shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in Law during the Delivery Term in order to make the representation and warranty no longer false or misleading.

(iii) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within forty-five (45) days after Notice from the Non-Defaulting Party, which time period shall be extended if the Defaulting Party is making diligent efforts to cure such failure to perform, provided that such extended period shall not exceed forty-five (45) additional days;

(iv) such Party becomes Bankrupt; or

(v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time during the Term of this Agreement, Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement Energy that was not generated by the Project;

(ii) failure by Seller to meet the Guaranteed Commercial Operation Date as extended by any Permitted Extensions, due solely to Seller’s inability to achieve, after the use of commercially reasonable efforts, by the Guaranteed Commercial Operation Date either the physical interconnection of the Project to the CAISO or any necessary Electric System Upgrades;

(iii) failure by Seller for any reason other than those explicitly provided in Section 5.1(b)(ii) above and Section 11.1(a)(ii) to meet the Guaranteed Commercial Operation Date as may be extended by Permitted Extensions;

(iv) failure by Seller to satisfy the creditworthiness/collateral requirements agreed to pursuant to Sections 8.3, 8.4, or 8.5 of this Agreement and such failure is not cured within any applicable cure period;

(v) failure by Seller to achieve the Guaranteed Energy Production requirement as set forth in Section 3.1(e)(ii) of this Agreement as follows:

(A) Seller has failed to pay GEP Damages in the time period set forth in Section 3.1(e)(ii); or

(B) if, after any Performance Measurement Period the cumulative GEP Shortfall for all Performance Measurement Periods occurring during the Delivery Term equals or exceeds two times the Contract Quantity (as may be adjusted pursuant to Sections 3.9(d) and 3.1(e)(ii)); provided, however, that if all or a portion of the GEP Shortfall during an applicable Performance Measurement Period is principally caused by a non-Force Majeure major equipment malfunction, breakdown, or failure resulting in a reduction of Energy production of the Project by at least fifty percent (50%) of the Contract Quantity in one or both years of the Performance Measurement Period, as applicable, and such malfunction, breakdown, or failure was not caused by Seller and could not have been avoided through the exercise of Good Utility Practice, such failure shall be excluded from the cumulative GEP Shortfall for purposes of this subsection.

5.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and is continuing, the other Party (“Non-Defaulting Party”) shall have the following rights:

(a) send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement (“Early Termination Date”);

(b) accelerate all amounts owing between the Parties, terminate the Transaction and end the Delivery Term effective as of the Early Termination Date;

(c) collect the Damage Payment in accordance with Section 5.8 below, if the Event of Default arose under Section 5.1(b)(ii), or (ii) collect the Termination Payment for any other Event of Default;

(d) withhold any payments due to the Defaulting Party under this Agreement;

(e) suspend performance;

(f) exercise its rights pursuant to Section 8.4 to draw upon and retain Performance Assurance;

(g) demand payment for damages due to Buyer’s unexcused failure to take delivery or pay for Product; and

(h) exercise any other rights or remedies available at Law or in equity (including the collection of monetary damages) to the extent otherwise permitted under this Agreement.

Notwithstanding anything to the contrary contained herein, Seller may exercise the rights or remedies set forth in Sections 5.2(e), (g), and (h) without terminating this Agreement.

### 5.3 Calculation of Termination Payment.

(a) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-Defaulting Party uses the market price for a comparable transaction to determine the Gains or Losses, such price should be determined by using the average of market quotations provided by three (3) or more bona fide unaffiliated market participants. If the number of available quotes is three, then the average of the three quotes shall be deemed to be the market price. Where a quote is in the form of bid and ask prices, the price that is to be used in the averaging is the midpoint between the bid and ask price. The quotes obtained shall be: (i) for a like amount, (ii) of the same Product, (iii) at the same Delivery Point, (iv) for the remaining Delivery Term, or in (v) any other commercially reasonable manner. Regardless of the method chosen by the Non-Defaulting Party to calculate the Settlement Amount, the Settlement Amount must still be reasonable under the circumstances.

(b) If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of the Terminated Transaction, the Settlement Amount shall be zero.

(c) The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within ten (10) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment shall be determined in accordance with Article Twelve.

5.6 Rights And Remedies Are Cumulative. The rights and remedies of a Party pursuant to this Article Five shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

5.7 Duty to Mitigate. Buyer and Seller shall each have a duty to mitigate damages pursuant to this Agreement, and each shall use reasonable efforts to minimize any damages it may incur as a result of the other Party's non-performance of this Agreement, including with respect to termination of this Agreement.

5.8 Damage Payment for Failure to Achieve Guaranteed Dates. The Parties agree that the Damage Payment to be paid by Seller for an Event of Default arising under Section 5.1(b)(ii) associated with Seller's failure to achieve the Guaranteed Commercial Operation Date shall be considered liquidated damages and not a penalty, in accordance with Section 7.1.

## ARTICLE SIX: PAYMENT

6.1 Billing and Payment; Remedies. On or about the tenth (10th) day of each month beginning with the second month of either the Test Period or the first Contract Year, whichever occurs first, and every month thereafter, and continuing through and including the first month following the end of the Delivery Term, Seller shall provide to Buyer (a) records of metered data, including CAISO metering and transaction data sufficient to document and verify the generation of Product by the Project for any CAISO settlement time interval during the preceding months, (b) access to any records, including invoices or settlement data from the CAISO, necessary to verify the accuracy or amount of any Reductions; and (c) an invoice, in the format specified by Buyer, covering the services provided in the preceding month determined in accordance with Sections 4.2 through 4.4, as adjusted pursuant to Section 4.6 (CAISO Charges) (which may include charges incurred in preceding months), and, if applicable, Section 4.5. Buyer shall pay the undisputed amount of such invoices [*The following bracketed language applies to As-Available Product only*] [less the amount of any Forecasting Penalties (as applicable),] on or before the later of the twenty-fifth (25th) day of each month and fifteen (15) days after receipt of the invoice. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any undisputed amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices may be sent by facsimile or e-mail.

6.2 Disputes and Adjustments of Invoices. In the event an invoice or portion thereof or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with Notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Subject to Section 3.6, in the event adjustments to payments are required as a result of inaccurate meter(s), Buyer shall use corrected measurements to recompute the amount due from Buyer to Seller for the Product delivered under the Transaction during the period of inaccuracy. The Parties agree to use good faith efforts to resolve the dispute or identify the adjustment as soon as possible. Upon resolution of the dispute or calculation of the adjustment, any required payment shall be made within fifteen (15) days of such resolution along with interest accrued at the Interest Rate from and including the due date, but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment, but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.2 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made; provided that such waiver shall not apply to any adjustment or dispute related to Seller's performance under any applicable RMR Contract. If an invoice is not rendered within twelve (12) months after the close of the month during which performance under the Transaction occurred, the right to payment for such performance is waived.

## ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS OTHERWISE 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 SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS

EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 10.5 (INDEMNITIES), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF.

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

#### **ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS**

8.1 Buyer Financial Information. If requested by Seller, Buyer shall deliver to Seller (a) within one hundred twenty (120) days after the end of each fiscal year with respect to PG&E Corporation, a copy of PG&E Corporation's annual report containing audited consolidated financial statements for such fiscal year and (b) within sixty (60) days after the end of each of PG&E Corporation's first three fiscal quarters of each fiscal year, a copy of PG&E Corporation's quarterly report containing unaudited consolidated financial statements for each accounting period prepared in accordance with generally accepted accounting principles. Buyer shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available on [www.pge-corp.com](http://www.pge-corp.com) or on the SEC EDGAR information retrieval system; provided however, that should such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default, so long as such statements are provided to Seller upon their completion and filing with the SEC.

8.2 Seller Financial Information. If requested by Buyer, Seller shall deliver to Buyer (a) within one hundred twenty (120) days following the end of each fiscal year, a copy of Seller's annual report containing unaudited consolidated financial statements for such fiscal year (or audited consolidated financial statements for such fiscal year if otherwise available) and (b) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent Seller delivers the Project Development Security or Delivery Term Security, as applicable, hereunder, Seller hereby grants to Buyer, as the secured party, a first priority security interest in, and lien on (and right of setoff against), and assignment of, all such Performance Assurance posted with Buyer in the form of cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, Buyer. Within thirty days of the delivery of the Project Development Security or Delivery Term Security, as

applicable, Seller agrees to take such action as Buyer reasonably requires in order to perfect a first-priority security interest in, and lien on (and right of setoff against), such Performance Assurance and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, Buyer, as the Non-Defaulting Party, may do any one or more of the following: (a) exercise any of the rights and remedies of a secured party with respect to all Project Development Security or Delivery Term Security, as applicable, including any such rights and remedies under the Law then in effect; (b) exercise its rights of setoff against any and all property of Seller, as the Defaulting Party, in the possession of the Buyer or Buyer's agent; (c) draw on any outstanding Letter of Credit issued for its benefit; and (d) liquidate all Project Development Security or Delivery Term Security, as applicable, then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller. Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to Buyer after such application), subject to the Buyer's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

#### 8.4 Performance Assurance.

(a) Project Development Security; Delivery Term Security. Seller agrees to deliver to Buyer collateral to secure its obligations under this Agreement, which Seller shall maintain in full force and effect for the period posted with Buyer, as follows:

(i) Project Development Security pursuant to this Section 8.4(a)(i) in the amount of \$20/kW multiplied by the capacity of the Project as reflected in the Cover Sheet for projects 5 MW and smaller, or \$60/\$90 /kW multiplied by the capacity of the Project as reflected in the Cover Sheet for As-Available/Baseload resources, respectively, for projects greater than 5 MW and up to 20 MW in size and in the form set forth on the Cover Sheet within five (5) Business Days following the Effective Date of this Agreement until Seller posts Delivery Term Security pursuant to Section 8.4(a)(ii) below with Buyer.

(ii) Delivery Term Security pursuant to this Section 8.4(a)(ii) in the amount of \$20/kW multiplied by the capacity of the Project as reflected in Seller's Offer, or 5% of expected total project revenues for projects greater than 5 MW and up to 20 MW in size and in the form set forth on the Cover Sheet from the date required pursuant to Section 3.1(c) as a condition precedent to the Initial Energy Delivery Date, until the end of the Term; provided that, with Buyer's consent, Seller may elect to apply the Project Development Security posted pursuant to Section 8.4(a)(i) toward the Delivery Term Security posted pursuant to this Section 8.4(a)(ii).

Except as provided in Section 5.2(c), the amount of Performance Assurance required under this Agreement shall not be deemed a limitation of damages. Except as specifically provided for in this Section 8.4(a), Buyer acknowledges that Seller shall not be required to post any additional security.

(b) Use of Project Development Security. Buyer shall be entitled draw upon the Project Development Security for any damages arising upon Buyer's declaration of an Early Termination Date.

(c) Termination of Project Development Security. If after the Initial Energy Delivery Date, no damages are due and owing to Buyer under this Agreement, then Seller shall no longer be required to maintain the Project Development Security, and Buyer shall return to Seller the Project Development Security, less the amounts drawn in accordance with Section 8.4(b). The Project

Development Security (or portion thereof) due to Seller shall be returned to Seller within five (5) Business Days of Seller's provision of the Delivery Term Security unless, with Buyer's consent, Seller elects to apply the Project Development Security posted pursuant to Section 8.4(a)(i) toward the Delivery Term Security posted pursuant to Section 8.4(a)(ii).

(d) Payment and Transfer of Interest. Buyer shall pay interest on cash held as Project Development Security or Delivery Term Security, as applicable, at the Interest Rate; provided that, such interest shall be retained by Buyer until Seller posts the Delivery Term Security pursuant to Section 8.4(a)(ii). Upon Seller's posting of the Delivery Term Security, all accrued interest on the Project Development Security shall be transferred to Seller in the form of cash by wire transfer to the bank account specified under "Wire Transfer" in the Cover Sheet (Notices List). After Seller posts the Delivery Term Security, Buyer shall transfer (as described in the preceding sentence) on or before each Interest Payment Date the Interest Amount due to Seller for such Delivery Term Security.

(e) Return of Delivery Term Security. Buyer shall return the unused portion of Delivery Term Security, including the payment of any interest due thereon, pursuant to Section 8.4(d) above, to Seller promptly after the following has occurred: (i) the Term of the Agreement has ended, or subject to Section 8.3, an Early Termination Date has occurred, as applicable; and (ii) all payment obligations of the Seller arising under this Agreement, including but not limited to payments pursuant to Section 4.6 (CAISO Charges), Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting).

(f) Adjustment of Security Amounts for Project Resizing. The required amount of Delivery Term Security shall be proportionally and automatically adjusted in connection with any resizing of the Project under Section 3.9(d), and Buyer shall promptly return to Seller the unused portion of Delivery Term Security in connection with any such adjustment.

#### 8.5 Letter of Credit.

(a) If Seller has provided a Letter of Credit pursuant to any of the applicable provisions in this Article Eight, then Seller shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and in accordance with this Agreement. In the event the issuer of such Letter of Credit (i) fails to maintain a Credit Rating of at least an A2 by Moody's and at least an A by S&P, (ii) indicates its intent not to renew such Letter of Credit, or (iii) fails to honor Buyer's properly documented request to draw on an outstanding Letter of Credit by such issuer, Seller shall cure such default by complying with either (A) or (B) below in an amount equal to the outstanding Letter of Credit, and by completing the action within ten (10) Business Days after Buyer receives Notice of such refusal (all of which is considered the "Cure"):

(A) providing a substitute Letter of Credit that is issued by a qualified bank acceptable to Buyer, other than the bank failing to honor the outstanding Letter of Credit, or

(B) posting cash.

If Seller fails to Cure or if such Letter of Credit expires or terminates without a full draw thereon by Buyer, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then Seller shall have failed to meet the creditworthiness/collateral requirements of Article Eight.

(b) In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by Seller.

## **ARTICLE NINE: GOVERNMENTAL CHARGES**

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

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any Governmental Authority ("Governmental Charges") on or with respect to the Product or the Transaction arising at the Delivery Point, including, but not limited to, ad valorem taxes and other taxes attributable to the Project, land, land rights or interests in land for the Project. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or the Transaction from the Delivery Point. In the event Seller is required by Law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by Law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller with respect to payments under the Agreement; if Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the Law. A Party that is exempt at any time and for any reason from one or more Governmental Charges bears the risk that such exemption shall be lost or the benefit of such exemption reduced; and thus, in the event a Party's exemption is lost or reduced, each Party's responsibility with respect to such Governmental Charge shall be in accordance with the first four sentences of this Section.

## **ARTICLE TEN: MISCELLANEOUS**

10.1 Recording. Unless a Party expressly objects to a recording at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording of all telephone conversations between Buyer's employees or representatives performing a Scheduling Coordinator function as provided in Section 3.4(c) and any representative of Seller. The Parties agree that any such recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.

### 10.2 Representations and Warranties.

(a) General Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Party that:

(i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(ii) it has all regulatory authorizations necessary for it to perform its obligations under this Agreement, except for (A) CPUC Approval in the case of Buyer, and (B) all permits necessary to install, operate and maintain the Project in the case of Seller;



(iii) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(iv) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(vii) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(viii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(ix) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to make or take delivery of the Product as provided in this Agreement.

(b) Seller Representations and Warranties. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(c) The term “commercially reasonable efforts” as used in Section 10.2(b) of this Agreement shall not require Seller to incur Compliance Costs in excess of the Compliance Cost Cap.

### 10.3 Covenants.

(a) General Covenants. Each Party covenants that throughout the Delivery Term:

(i) it shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

(ii) it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and the Transaction; and

(iii) it shall perform its obligations under this Agreement and the Transaction in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law, rule, regulation, order or the like applicable to it.

(b) Seller Covenants.

(i) Seller covenants throughout the Delivery Term that it will take no action or permit any other person or entity (other than Buyer) to take any action that would impair in any way Buyer's ability to rely on the Project in order to satisfy its Resource Adequacy Requirements; and

(ii) Seller covenants that it shall comply with all CAISO Tariff requirements applicable to an Interconnection Customer (as defined in the CAISO Tariff) and shall take any other necessary action, including but not limited to payment of fees and submission of requests, applications or other documentation, to promote the completion of the Electric System Upgrades prior to the Commercial Operation date or as soon as practicable thereafter.

***[The following clause (iii) applies to Existing Projects only:]***

*[(iii) Seller covenants that the Initial Energy Delivery Date shall occur no later than the Expected Initial Delivery Date specified on the Cover Sheet, except as provided pursuant to Section 11.1(a)(ii).]*

10.4 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Product free and clear of all liens, security interests, Claims and encumbrances or any interest therein or thereto by any person or entity arising prior to or at the Delivery Point.

### 10.5 Indemnities.

(a) Indemnity by Seller. Seller shall release, indemnify and hold harmless Buyer or Buyers' respective directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorney's fees resulting from, or arising out of or in any way connected with (i) the Product delivered under this Agreement to the Delivery Point, or (ii) Seller's operation and/or maintenance of the Project, including, without limitation, any loss, Claim, action or suit, for or on account of injury to, bodily or otherwise, or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Buyer, its Affiliates, or Buyers' and Affiliates' respective agents, employees, directors, or officers.

(b) Indemnity by Buyer. Buyer shall release, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorney's fees resulting from, or arising out of or in any way connected with the Product delivered by Seller under this Agreement after the Delivery Point, including, without limitation, any loss, Claim, action or suit, for or on account of injury to, bodily or otherwise, or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Seller, its Affiliates, or Seller's and Affiliates' respective agents, employees, directors, or officers.

(c) No Dedication. Without limitation of each Party's obligations under Sections 10.5(a) and 10.5(b) herein, nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person or entity not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent individual or entity.

#### 10.6 Assignment.

(a) General Assignment. Except as provided in Sections 10.6(b) and (c), neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld so long as among other things (i) the assignee assumes the transferring Party's payment and performance obligations under this Agreement, (ii) the assignee agrees in writing to be bound by the terms and conditions hereof, (iii) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder and (iv) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request. Notwithstanding the foregoing and except as provided in Section 10.6(b), consent shall not be required for an assignment of this Agreement where the assigning Party remains subject to liability or obligation under this Agreement, provided that (i) the assignee assumes the assigning Party's payment and performance obligations under this Agreement, (ii) the assignee agrees in writing to be bound by the terms and conditions hereof, and (iii) the assigning Party provides the other Party hereto with at least thirty (30) days' prior written notice of the assignment.

(b) Assignment to Financing Providers. Seller shall be permitted to assign this Agreement as collateral for any financing or refinancing of the Project (including any tax equity or lease financing) without the prior written consent of the Buyer; provided that the financing provider(s), enter(s) into a Consent to Assignment in the form attached hereto as Appendix VIII under which such financing provider(s) shall agree that upon exercising its rights to assume the Agreement, it shall be bound by the terms and conditions hereof; and provided further that Seller shall be responsible at Buyer's request for Buyer's reasonable costs associated with the review, execution and delivery of documents in connection with such assignment, including without limitation attorneys' fees.

(c) Notice of Change in Control. Except in connection with public market transactions of the equity interests or capital stock of Seller or Seller's Affiliates', Seller shall provide Buyer notice of any direct change of control of Seller (whether voluntary or by operation of Law).

(d) Unauthorized Assignment. Any assignment or purported assignment in violation of this Section 10.6 is void.

10.7 Confidentiality.

(a) Neither Party shall disclose the non-public terms or conditions of this Agreement to a third party, other than as follows:

- (i) to the Party's Affiliates, the Party's or its Affiliates' respective employees, lenders, investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential,
- (ii) for disclosure to Buyer's Procurement Review Group, as defined in CPUC Decision D. 02-08-071, subject to a confidentiality agreement,
- (iii) to the CPUC under seal for purposes of review,
- (iv) for disclosure of those certain terms specified in and pursuant to Section 10.8 of this Agreement;
- (v) in order to comply with any applicable Law, regulation, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (vi); or
- (vi) in order to comply with any applicable regulation, rule, or order of the CPUC, CEC, or the FERC.

(b) The Parties agree that the confidentiality provisions under this Section 10.7 are separate from, and shall not impair or modify any other confidentiality agreements that may be in place between the Parties or their Affiliates; provided however, that the confidentiality provisions of this Section 10.7 shall govern confidential treatment of all information exchanged between the Parties as of and after the Effective Date.

10.8 RPS Confidentiality. Notwithstanding Section 10.7(a) of this Agreement, at any time on or after the date on which the Buyer makes its advice filing letter seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to such Transaction: Party names, the number of bids per company, Project size, resource type, Delivery Term, Project location, Contract Capacity and Contract Capacity, Commercial Operation Date, Expected Initial Energy Delivery Date, Contract Quantity, Delivery Point, and the achievement of project development milestones.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, after reasonable Notice, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement including amounts of Delivered Energy. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Insurance. Throughout the Term, Seller shall, at its sole cost and expense, obtain and maintain the following insurance coverages and be responsible for its subcontractors, including Seller's EPC Contractors, maintaining sufficient limits of the appropriate insurance coverage.

(a) Workers' Compensation and Employers' Liability.

(i) Workers' Compensation insurance indicating compliance with any applicable labor codes, acts, Laws or statutes, state or federal, where Seller performs Work.

(ii) Employers' Liability insurance shall not be less than one million dollars (\$1,000,000.00) for injury or death occurring as a result of each accident.

(b) Commercial General Liability.

(i) Coverage shall be at least as broad as the Insurance Services Office Commercial General Liability Coverage "occurrence" form, with no alterations to the coverage form.

(ii) The limit shall not be less than three million dollars (\$3,000,000.00) each occurrence for bodily injury, property damage, personal injury and products/completed operations. Defense costs shall be provided as an additional benefit and not included within the limits of liability. Coverage limits may be satisfied using an umbrella or excess liability policy or an Owners Contractors Protective (OPC) policy. Limits shall be on a per project basis.

(iii) If scope of Work involves hauling hazardous materials, coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2) and the CA 99 48 endorsement.

(iv) Coverage shall:

(A) by "Additional Insured" endorsement add as insured PG&E, its directors, officers, agents and employees with respect to liability arising out of the Work performed by or for the Seller (Insurance Services Office Form CG2010 1185, or equivalent form). In the event the Commercial General Liability policy includes a "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy Buyer's requirement: "PG&E, its directors, officers, agents and employees with respect to liability arising out of the Work performed by or for the Seller has been endorsed by blanket endorsement;"

(B) be endorsed to specify that the Seller's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it; and

(C) include a severability of interest clause.

(c) Business Auto.

(i) Coverage shall be at least as broad as the Insurance Services Office Business Auto Coverage form covering Automobile Liability, code 1 "any auto".

(ii) The limit shall not be less than one million dollars (\$1,000,000.00) each accident for bodily injury and property damage.

(iii) If scope of Work involves hauling hazardous materials, coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2) and the CA 99 48 endorsement.

(d) Professional Liability Insurance.

(i) Errors and Omissions Liability insurance appropriate to the Seller's profession. Coverage shall be for a professional error, act or omission arising out of the scope of services shown in the Agreement, including coverage for bodily injury, property damage, and consequential financial loss.

(ii) The limit shall not be less than two million dollars (\$2,000,000.00) per claim,

(iii) Coverage shall:

(A) be endorsed to specify that the Seller's insurance is primary and that any Insurance or self-insurance maintained by PG&E shall not contribute with it; and

(B) be endorsed to specify that the selection of counsel, paid for by the insurer, to defend PG&E and its officers, directors, agents, and employees against covered or potentially covered claims shall be by mutual consent of PG&E and insurer.

(e) Additional Insurance Provisions.

(i) Before commencing performance of the Work, Seller shall furnish PG&E with certificates of insurance and endorsements of all required insurance for Seller.

(ii) The documentation shall state that coverage shall not be cancelled except after thirty (30) days prior written Notice has been given to PG&E.

(iii) PG&E uses a third-party vendor, Exigis, to confirm and collect insurance documents. The process starts with the PG&E Contract Administrator submitting negotiated insurance terms in the Exigis website. An e-mail will be generated from "Exigis.com" that will include a login, password, and link to the web-portal requesting specific information from the vendor. Vendor provides insurance broker information, which will trigger an e-mail to the insurance broker. The insurance broker provides insurance information and sends pdf or fax of insurance documents to Exigis. Certificates of insurance and endorsements shall be signed and submitted by a person authorized by that insurer to bind coverage on its behalf, and submitted through the Exigis website at: <https://prod1.exigis.com/pge>  
Helpline: 1 (888) 280-0178

Certificate Holder:  
Pacific Gas and Electric Company  
c/o Exigis

(iv) Reviews of such insurance may be conducted by PG&E on an annual basis and, in addition, PG&E may inspect the original policies or require complete certified copies at any time.

(v) Upon request, Seller shall furnish Buyer evidence of insurance for its subcontractors.

(f) Form And Content.

(i) All policies or binders with respect to insurance maintained by Seller shall:

(A) waive any right of subrogation of the insurers hereunder against PG&E, its officers, directors, employees, agents and representatives of each of them, and any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under such policy; and

(B) with respect to any additional insured, provide that such insurance will not be invalidated by any action or inaction of each such insured and will insure each such insured regardless of any breach or violation of any warranty, declaration or condition contained in such insurance by the primary named insured.

10.11 Access to Financial Information. The Parties agree that Generally Accepted Accounting Principles and SEC rules require Buyer to evaluate if Buyer must consolidate Seller's financial information. Buyer will require access to financial records and personnel to determine if consolidated financial reporting is required. If Buyer determines that consolidation is required, Buyer shall require the following during every calendar quarter for the Term:

(a) Complete financial statements and notes to financial statements; and

(b) Financial schedules underlying the financial statements, all within fifteen (15) days after the end of each fiscal quarter.

Any information provided to Buyer pursuant to this Section 10.11 shall be considered confidential in accordance with the terms of this Agreement and shall only be disclosed on an aggregate basis with other similar entities for which Buyer has power purchase agreements. The information will only be used for financial statement purposes and shall not be otherwise shared with internal or external parties.

10.12 Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

10.13 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of drafting or execution hereof. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. Except to the extent provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

The headings used herein are for convenience and reference purposes only. Facsimile or PDF transmission will be the same as delivery of an original document; provided that at the request of either Party, the other Party will confirm facsimile or PDF signatures by signing and delivering an original document; provided, however, that the execution and delivery of this Agreement and its counterparts shall

be subject to Section 10.15. This Agreement shall be binding on each Party's successors and permitted assigns.

10.14 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

10.15 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by fax will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

10.16 Mobile Sierra. Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to the FERC pursuant to the provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party, or the FERC acting sua sponte shall be the "public interest" standard of review set forth in *United States Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

## **ARTICLE ELEVEN: TERMINATION EVENT**

### **11.1 Force Majeure Termination Event.**

(a) Force Majeure Failure. Buyer shall have the right, but not the obligation, to terminate this Agreement after the occurrence of the following:

(i) if after the Initial Energy Delivery Date, the Project fails to deliver at least forty percent (40%) of the Contract Quantity (as may be adjusted pursuant to Sections 3.1(e)(ii) or 3.9(d)) to the Delivery Point for a period of twelve (12) consecutive rolling months following a Force Majeure event that materially and adversely impacts the Project ("Force Majeure Project Failure"); provided that:

(A) if the Project may be capable of resuming normal production, then Seller shall be entitled to an additional period of time (not to exceed six (6) months) to remedy the Force Majeure if within forty-five (45) days of receipt of Notice from Buyer that a Force Majeure Project Failure has occurred, Seller presents Buyer with a plan for mitigation of the effect of the Force Majeure which plan is commercially reasonable and satisfactory to Buyer, as evidenced by Buyer's written acknowledgement of such plan, and Seller diligently pursues such mitigation plan throughout said additional period; or

(B) if the Project is destroyed or rendered inoperable by a Force Majeure caused by a catastrophic natural disaster, upon Buyer's written request to Seller, Seller shall have not more than ninety (90) days to retain an independent, third-party engineer to determine whether the



Project is capable of being repaired or replaced within twenty-four (24) additional months and provide Buyer a copy of the engineer's report, at no cost to Buyer.

***[The following bracketed clause (ii) is applicable to New Projects:]***

*[(ii) if prior to the Commercial Operation Date Seller is unable, due solely to a Force Majeure event, to place the Project into Commercial Operation by the Guaranteed Commercial Operation Date, as set forth Section 3.9(c)(iii) (a "Force Majeure Development Failure"); provided that in the event of a Force Majeure caused by a catastrophic natural disaster, upon Buyer's written request to Seller, Seller shall have not more than ninety (90) days to retain an independent, third-party engineer to determine whether the Project is capable of being repaired or replaced within twenty-four (24) additional months and provide Buyer a copy of the engineer's report, at no cost to Buyer.]*

***[The following bracketed clause (ii) is applicable to Existing Projects:]***

*[(ii) if prior to the Expected Initial Energy Delivery Date, Seller is unable, due solely to a Force Majeure event, to achieve the Initial Energy Delivery Date on or prior to the Expected Initial Energy Delivery Date (a "Force Majeure Development Failure"); provided that in the event of a Force Majeure caused by a catastrophic natural disaster, upon Buyer's written request to Seller, Seller shall have not more than ninety (90) days to retain an independent, third-party engineer to determine whether the Project is capable of being repaired or replaced within twenty-four (24) additional months and provide Buyer a copy of the engineer's report, at no cost to Buyer.]*

(b) Right of First Offer.

(i) If Buyer exercises its termination right in connection with the Force Majeure Failure, then for a period of two (2) years from the date on which Buyer Notifies Seller of such termination ("Exclusivity Period"), neither Seller, its successors and assigns, nor its Affiliates shall enter into an obligation or agreement to sell or otherwise transfer any Products from the Project to any third party, unless Seller first offers, in writing, to sell to Buyer such Products from the Project on the same terms and conditions as this Agreement, subject to permitted modifications identified in subpart (ii) below, (the "First Offer") and Buyer either accepts or rejects such First Offer in accordance with the provisions herein.

(ii) If Buyer accepts the First Offer, Buyer shall Notify Seller within thirty (30) days of receipt of the First Offer subject to Buyer's management approval and CPUC Approval ("Buyer's Notice"), and then the Parties shall have not more than ninety (90) days from the date of Buyer's Notice to enter into a new power purchase agreement, in substantially the same form as this Agreement, or amend this Agreement, subject to CPUC Approval, if necessary; provided that the Contract Price may only be increased to reflect Seller's documented incremental costs in overcoming the Force Majeure event.

(iii) If Buyer rejects or fails to accept Seller's First Offer within thirty (30) days of receipt of such offer, Seller shall thereafter be free to sell or otherwise transfer, and to enter into agreements to sell or otherwise transfer, any Products from the Project to any third party, so long as the material terms and conditions of such sale or transfer are not more favorable to the third party than those of the First Offer to Buyer. If, during the Exclusivity Period, Seller desires to enter into an obligation or agreement with a third party, Seller shall deliver to Buyer a certificate of an authorized officer of Seller (A) summarizing the material terms and conditions of such agreement and (B) certifying that the proposed agreement with the third party will not provide Seller with a lower rate of return than that offered in the First Offer to Buyer. If Seller is unable to deliver such a certificate to Buyer, then Seller

may not sell or otherwise transfer, or enter into an agreement to sell or otherwise transfer, the Products from the Project without first offering to sell or otherwise transfer such Products to Buyer on such more favorable terms and conditions (the "Revised Offer") in accordance with subpart (ii) above. If within thirty (30) days of receipt of Seller's Revised Offer the Buyer rejects, or fails to accept by Notice to Seller, the Revised Offer, then Seller will thereafter be free to sell or otherwise transfer, and to enter into agreements to sell or otherwise transfer, such Products from the Project to any third party on such terms and conditions as set forth in the certificate.

## **ARTICLE TWELVE: DISPUTE RESOLUTION**

12.1 Intent of the Parties. Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement is the dispute resolution procedure set forth in this Article Twelve. The lone exception to the foregoing is that either Party may seek an injunction in Superior Court in San Francisco, California if such action is necessary to prevent irreparable harm, in which case both Parties nonetheless will continue to pursue resolution of all other aspects of the dispute by means of this procedure.

### 12.2 Management Negotiations.

(a) The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each a "Manager"). Either Manager may request a meeting to, be held in person or telephonically, to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive(s)"), who shall have authority to settle the dispute. Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another written Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(b) Within five (5) Business Days of the Referral Date, the Executives shall establish a mutually acceptable location and date to meet, which date shall not be greater than thirty (30) days from the Referral Date. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute.

(c) All communication and writing exchanged between the Parties in connection with these negotiations shall be deemed confidential and subject to the confidentiality provisions of this Agreement. All such communication and writing shall be inadmissible as evidence such that it cannot be used or referred to in any subsequent binding adjudicatory process between the Parties, whether with respect to this dispute or any other.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the written request to meet, pursuant to Section 12.2(a), refuses or does not meet within the ten (10) Business Day period specified in Section 12.2(a), either Party may initiate mediation of the controversy or claim according to the terms of the following Section 12.3.

12.3 Arbitration Initiation. If the dispute cannot be resolved by negotiation as set forth in Section 12.2 above, then the Parties shall resolve such controversy through Arbitration. The Arbitration shall be adjudicated by one retired judge or justice from the JAMS panel. The Arbitration shall take place in San Francisco, California, and shall be administered by and in accordance with JAMS's Commercial

Arbitration Rules (“Arbitration”). If the Parties cannot mutually agree on the arbitrator who will adjudicate the dispute, then JAMS shall provide the Parties with an arbitrator pursuant to its then-applicable Commercial Arbitration Rules. The arbitrator shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the JAMS a notice of intent to arbitrate within one hundred and twenty (120) days of service of the Referral Date.

12.4 Arbitration Process. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the Arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(a) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two “last and best” offers submitted, and shall not determine an alternative or compromise remedy.

(b) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other remedies contemplated by this Agreement.

(c) The arbitrator’s award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in *Advanced Micro Devices, Inc. v. Intel Corp.*, 9 Cal. 4th 362 (1994) and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California Law.

(d) The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys’ fees.

(e) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him or her.

(f) Except as may be required by Law, neither a Party nor an arbitrator may disclose the existence, content, or results of any Arbitration hereunder without the prior written consent of both Parties.

## **ARTICLE THIRTEEN: NOTICES**

Whenever this Agreement requires or permits delivery of a “Notice” (or requires a Party to “notify”), the Party with such right or obligation shall provide a written communication in the manner specified herein; provided, however, that notices of Outages or other Scheduling or dispatch information or requests, as provided in Appendix VI, shall be provided in accordance with the terms set forth in the relevant section of this Agreement. Notices may be sent by facsimile or e-mail. A Notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5:00 p.m. (and if received after 5:00 p.m., on the next Business Day) and a Notice of overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Either Party may periodically change any address, phone number, e-mail, or contact to which Notice is to be given it by providing Notice of such change to the other Party.

**SIGNATURES**

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**Agreement Execution**

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the dates provided below:

**[SELLER, a (*include place of formation and business type*)]**

**PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX I**

**FORM OF LETTER OF CREDIT**

*Issuing Bank Letterhead and Address*

STANDBY LETTER OF CREDIT NO. XXXXXXXX

**Date:** [insert issue date]

**Beneficiary:** Pacific Gas and Electric Company  
77 Beale Street, Mail Code B28L  
San Francisco, CA 94105  
Attention: Credit Risk Management

**Applicant:** [Insert name and address of Applicant]

**Letter of Credit Amount:** [insert amount]

**Expiry Date:** [insert expiry date]

Ladies and Gentlemen:

By order of **[insert name of Applicant]** (“Applicant”), we hereby issue in favor of Pacific Gas and Electric Company (the “Beneficiary”) our irrevocable standby letter of credit No. **[insert number of letter of credit]** (“Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. \$ **[insert amount in figures followed by (amount in words)]** (“Letter of Credit Amount”). This Letter of Credit is available with **[insert name of issuing bank, and the city and state in which it is located]** by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on **[insert expiry date]** (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents:

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. **[insert number]** and stating the amount of the demand; and
2. One of the following statements signed by an authorized representative or officer of Beneficiary:
  - A. “Pursuant to the terms of that certain Power Purchase Agreement (“PPA”), dated \_\_\_\_\_, between Beneficiary and **[insert name of Seller under the PPA]**, Beneficiary is entitled to draw under Letter of Credit No. **[insert number]** amounts owed by **[insert name of Seller under the PPA]** under the PPA; or
  - B. “Letter of Credit No. **[insert number]** will expire in thirty (30) days or less and **[insert name of Seller under the PPA]** has not provided replacement security acceptable to Beneficiary.

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended (without an amendment hereto) for a period of one (1) year from the Expiry Date or any future Expiry Date, unless **[insert name of Seller under the PPA]** has provided replacement security acceptable to Beneficiary, or Beneficiary has returned this Letter of Credit to **[insert name of Seller under the PPA]** prior to the Expiry Date.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at our offices at **[insert issuing bank's address for drawings]**.

All demands for payment shall be made by presentation of originals or copies of documents; or by facsimile transmission of documents to **[insert fax number]**, Attention: **[insert name of issuing bank's receiving department]**, with originals or copies of documents to follow by overnight mail. If presentation is made by facsimile transmission, you may contact us at **[insert phone number]** to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the sixth (6th) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision*, International Chamber of Commerce (ICC) Publication No. 600 (the "UCP 600"); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of our business and effect payment accordingly.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at **[insert number and any other necessary details]**.

Very truly yours,

**[insert name of issuing bank]**

By: \_\_\_\_\_  
Authorized Signature

Name: \_\_\_\_\_ **[print or type name]**

Title: \_\_\_\_\_



**Exhibit A SIGHT DRAFT**

TO  
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: \$ \_\_\_\_\_ DATE: \_\_\_\_\_

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC  
COMPANY THE AMOUNT OF U.S.\$ \_\_\_\_\_ (\_\_\_\_\_ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER

BY: \_\_\_\_\_  
NAME AND TITLE

**APPENDIX II**

**INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER**

In accordance with the terms of that certain Power Purchase Agreement dated \_\_\_\_\_ (“Agreement”) by and between \_\_\_\_\_ (“Buyer”) and \_\_\_\_\_ (“Seller”), this letter (“Initial Energy Delivery Date Confirmation Letter”) serves to document the Parties’ further agreement that (i) the Conditions Precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and Buyer has received the Product, as specified in the Agreement, as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “Initial Energy Delivery Date”). All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

Seller represents to Buyer that it has been granted status as an [Exempt Wholesale Generator] [Qualifying Facility]. Additionally Seller provides the following FERC Tariff information for reference purposes only:

Tariff:                      Dated:                      Docket Number:

IN WITNESS WHEREOF, each Party has caused this Initial Energy Delivery Date Confirmation Letter to be duly executed by its authorized representative as of the date of last signature provided below:

**[SELLER]**

**PACIFIC GAS AND ELECTRIC COMPANY**

Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

**APPENDIX III**

**FORM OF MONTHLY  
PROGRESS REPORT**

**Monthly Progress Report  
For:**

*[Project Name]*

**By:**

*[Seller Name]*

**(“Seller”)**

**On:**

*[Report Date]*

**For month of:**

*[Report Month]*

**Provided to  
Pacific Gas and Electric Company  
 (“Buyer”)**

## **GENERAL PROJECT SPECIFICATIONS**

**Site Address, City, State:**

**Facility Description** (*Technology type, number of units, etc*):

**Generator nameplate capacity:**

**Site size** (*acres, square miles, square feet*):

### **1. Instructions**

- 1.1. Please complete the form monthly and forward it to your PG&E Contract Manager by the 15<sup>th</sup> of each month.
- 1.2. You may add new information to the prior month's report without editing the prior month's information to reflect current status. For ease of review, please add a date in parenthesis in front of each new entry.  
  
*ie:* (11/4/09) Grading has started for the roads and turbine sites.  
  
(10/4/09) Construction of maintenance buildings has been completed.
- 1.3. See the Requirements for this report in Section 15.

## **2. Executive Summary**

Please provide a general Project overview statement.

### **2.1 Major activities Performed and/or Completed – Inception to Date**

Please provide a cumulative summary of the major activities completed for each of the following aspects of the Project (provide details in subsequent sections of this report):

- 2.1.1 Financing
- 2.1.2 Permitting and Governmental Approvals
- 2.1.3 Site Control
- 2.1.4 Design and Engineering
- 2.1.5 Major Equipment Procurement
- 2.1.6 Construction
- 2.1.7 Interconnection
- 2.1.8 Startup Testing and Commissioning

### **2.2 Major Activities Planned for Next Month**

Please provide a summary of the major activities to be performed during the current month for each of the following aspects of the Project (provide details in subsequent sections of this report):

- 2.2.1 Financing
- 2.2.2 Permitting and Governmental Approvals
- 2.2.3 Site Control
- 2.2.4 Design and Engineering
- 2.2.5 Major Equipment Procurement
- 2.2.6 Construction
- 2.2.7 Interconnection
- 2.2.8 Startup Testing and Commissioning

**3. Guaranteed Commercial Operation Date**

	<b>Guaranteed Commercial Operation Date Specified in the Agreement</b>	<b>Status</b> (e.g., on schedule, delayed due to [ <i>specify reason</i> ]; current expected completion date)

**4. Financing**

Please provide the schedule Seller intends to follow to obtain financing for the Project. Include information about each stage of financing.

<b>Activity</b> (e.g., obtain \$xx for yy stage from zz)	<b>Completion Date</b>
	___/___/___ (expected / actual)
	___/___/___ (expected / actual)

**5. Project Schedule**

Please provide a copy of the current version of the overall Project development schedule (e.g., Work Breakdown Structure, Gantt chart, MS Project report, etc.). Include all major activities for Governmental Approvals, design and engineering, procurement, construction, interconnection and testing.

**6. Permitting and Governmental Approvals**

**6.1 Environmental Impact Review**

Please provide information about the primary environmental impact review for the Project. Indicate whether dates are expected or actual.

Agency [*e.g., the lead agency as required under the California Environmental Quality Act (CEQA)*]

Date of application/submission \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

Date application/submission deemed complete by agency \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

Date of initial study (*if applicable*) \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

Process (*e.g., Notice of Exemption, Negative Declaration, Mitigated Negative Declaration, Environmental Impact Report*)

Date of Notice of Preparation \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

Date of Draft Negative Declaration – Mitigated Negative Declaration - Environmental Impact Report \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

Date Notice of Determination filed at CA Office of Planning and Research or County Clerk \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (expected / actual)

**6.2 Federal, State, Regional, County or Local Governmental Approvals**

Please describe each of the major Governmental Approvals to be obtained by Seller and the status of each:

<b>Agency / Approval</b> <i>e.g., California Energy Commission (CEC) /  Application for Certification (AFC)</i>  <i>[name] County / Conditional Use Permit (CUP)</i>	<b>Status Summary</b> <i>e.g., dates of application / hearing / notice / etc. (note  whether dates are anticipated or actual); major activities  (indicate whether planned, in progress and/or  completed); primary reasons for possible delay, etc.</i>

**6.3 Governmental Approval activities recently performed**

Please list all Governmental Approval activities that occurred since the previous report.

**6.4 Governmental Approval activities expected during the current month**

Please list all Governmental Approval activities that are expected to occur during the current month.

**6.5 Governmental Approval Notices received from EPC Contractor**

Please attach to this Monthly Progress Report copies of any notices related to Governmental Approval activities received since the previous report, whether from EPC Contractor or directly from Governmental Agencies.

**7. Site Control**

**7.1 Table of Site Control schedule**

If not obtained prior to execution of the Agreement, please provide the schedule Seller intends to follow to obtain control of the Project Site (e.g., purchase, lease).

Activity	Completion Date
	/ / (expected / actual)
	/ / (expected / actual)

**7.2 Site Control activities recently performed**

Please explain in detail the property acquisition activities that were performed since the previous report.

**7.3 Site Control activities expected during the current month.**

Please explain in detail the site control activities that are expected to be performed during the current month.

**8. Design and Engineering**

**8.1 Design and engineering schedule**

Please provide the name of the EPC Contractor, the date of execution of the EPC Contract, and the date of issuance of a full notice to proceed (or equivalent).

Please list all major design and engineering activities, both planned and completed, to be performed by Seller and the EPC Contractor.

Name of EPC Contractor / Subcontractor	Activity	Completion Date
		_ / _ / _ (expected / actual)
		_ / _ / _ (expected / actual)

**8.2 Design and engineering activities recently performed**

Please explain in detail the design and engineering activities that were performed since the previous report.

**8.3 Design and engineering activities expected during the current month**

Please explain in detail the design and engineering activities that are expected to be performed during the current month.

**9. Major Equipment Procurement**

**9.1 Major equipment to be procured**

Please list all major equipment to be procured by Seller or the EPC Contractor:

Equipment Description	Manufacturer	Delivery Date (indicate whether expected or actual)	Installation Date (indicate whether expected or actual)
		_ / _ / _ (expected / actual)	_ / _ / _ (expected / actual)
		_ / _ / _ (expected / actual)	_ / _ / _ (expected / actual)

Equipment Description	No. Ordered	No. Made	No. On-Site	No. Installed	No. Tested



**9.2 Major Equipment procurement activities recently performed**

Please explain in detail the major equipment procurement activities that were performed since the previous report.

**9.3 Major Equipment procurement activities expected during the current month.**

Please explain in detail the major equipment procurement activities that are expected to be performed during the current month.

**10. Construction**

**10.1 Construction activities**

Please list all major construction activities, both planned and completed, to be performed by Seller or the EPC contractor.

Activity	EPC Contractor / Subcontractor	Completion Date
		/ / (expected / actual)
		/ / (expected / actual)

**10.2 Construction activities recently performed**

Please explain in detail the construction activities that were performed since the previous report.

**10.3 Construction activities expected during the current month**

Please explain in detail the construction activities that are expected to be performed during the current month.

**10.4 EPC Contractor Monthly Construction Progress Report**

Please attach a copy of the Monthly Construction Progress Reports received since the previous report from the EPC Contractor pursuant to the construction contract between Seller and EPC Contractor, if any, certified by the EPC Contractor as being true and correct as of the date issued.

**11. Interconnection and Transmission**

**11.1 Interconnection activities**

Please list all major interconnection activities, both planned and completed, to be performed by Seller or the EPC Contractor.

Activity	Name of EPC Contractor / Subcontractor	Completion Date
		/ / (expected / actual)
		/ / (expected / actual)

**11.2 Interconnection activities recently performed**

Please explain in detail the interconnection activities that were performed since the previous report.

**11.3 Interconnection activities expected during the current month**

Please explain in detail the interconnection activities that are expected to be performed during the current month.

**12. Startup Testing and Commissioning**

**12.1 Startup testing and commissioning activities**

Please list all major startup testing and commissioning activities, both planned and completed, to be performed by Seller or the EPC Contractor.

Activity	Name of EPC Contractor / Subcontractor	Completion Date
		/ / (expected / actual)
		/ / (expected / actual)

**12.2 Startup testing and commissioning activities recently performed**

Please explain in detail the startup testing and commissioning activities that were performed since the previous report.

**12.3 Startup testing and commissioning activities expected during the current month**

Please explain in detail the startup testing and commissioning activities that are expected to be performed during the current month.

**13. Safety and Health Reports**

**13.1 Accidents**

Please describe all Project-related accidents reported since the previous report.

**13.2 Work stoppages**

Please describe all Project-related work stoppages from that occurred since the previous report.

Please describe the effect of work stoppages on the Project schedule.

**14. Certification**

I, \_\_\_\_\_, on behalf of and as an authorized representative of [\_\_\_\_\_], do hereby certify that any and all information contained in this Seller's Monthly Progress Report is true and accurate, and reflects, to the best of my knowledge, the current status of the construction of the Units as of the date specified below.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## 15. Requirements

Any capitalized terms used in this report which are not defined herein shall have the meaning ascribed to them in the Power Purchase Agreement by and between \_\_\_\_\_, (“Seller”) and Pacific Gas and Electric Company dated \_\_\_\_\_, (the “Agreement”).

Seller shall review the status of each major activity performed of the construction schedule (the “Schedule”) for the Project and identify such matters referenced in clauses (i)-(v) below as known to Seller and which in Seller’s reasonable judgment are expected to adversely affect the Schedule, and with respect to any such matters, shall state the actions which Seller intends to take to ensure that the Milestones will be attained by their required dates. Such matters may include, but shall not be limited to:

(i) Any material matter or issue arising in connection with a Governmental Approval, or compliance therewith, with respect to which there is an actual or threatened dispute over the interpretation of a Law, actual or threatened opposition to the granting of a necessary Governmental Approval, any organized public opposition, any action or expenditure required for compliance or obtaining approval that Seller is unwilling to take or make, or in each case which could reasonably be expected to materially threaten or prevent financing of the Units or related Project, attaining any Milestone, or obtaining any contemplated agreements with other parties which are necessary for attaining any Milestone or which otherwise reasonably could be expected to materially threaten Seller’s ability to attain any Milestone.

(ii) Any development or event in the financial markets or the independent power industry, any change in taxation or accounting standards or practices or in Seller’s business or prospects which reasonably could be expected to materially threaten financing of the Units or related Project, attainment of any Milestone or materially threaten any contemplated agreements with other parties which are necessary for attaining any Milestone or could otherwise reasonably be expected to materially threaten Seller’s ability to attain any Milestone;

(iii) A change in, or discovery by Seller of, any legal or regulatory requirement which would reasonably be expected to materially threaten Seller’s ability to attain any Milestone;

(iv) Any material change in the Seller’s schedule for initiating or completing any material aspect of Project;

(v) The status of any matter or issue identified as outstanding in any prior Monthly Construction Progress Report and any material change in the Seller’s proposed actions to remedy or overcome such matter or issue.

For the purpose of this report, “EPC Contractor” means the contractor responsible for engineering, procurement and construction of the Project, including Seller if acting as contractor, and including all subcontractors.

## APPENDIX IV

### CONSTRUCTION START AND COMMERCIAL OPERATION CERTIFICATION FORMS AND PROCEDURES

Appendix IV-1: CONSTRUCTION START FORM OF CERTIFICATION [*This applies to BOTH As-Available and Baseload Product*]

Appendix IV-2: COMMERCIAL OPERATION CERTIFICATION FORM AND PROCEDURES [*Use the version designated for either As-Available or Baseload Product*]

*[Appendix IV-1 applies to BOTH As-Available and Baseload Products]*

**APPENDIX IV-1**

**CONSTRUCTION START  
FORM OF CERTIFICATION**

This certification (“Certification”) is delivered by \_\_\_\_\_ LLC (“Seller”) to Pacific Gas and Electric Company (“Buyer”) in accordance with the terms of that certain Power Purchase and Sale Agreement dated \_\_\_\_\_ (“Agreement”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer that the Construction Start Date has been achieved on \_\_\_\_\_:

Seller attaches hereto a copy of the Final Notice to Proceed that Seller delivered to the EPC Contractor.

\_\_\_\_\_, LLC  
 (“Seller”)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[This version of Appendix IV-2 only applies to As-Available Product]*

**APPENDIX IV-2**

**COMMERCIAL OPERATION CERTIFICATION PROCEDURE**

*[This version of Appendix IV-2 only applies to As-Available Product ]*

**APPENDIX IV-2 –Attachment A**

**COMMERCIAL OPERATION  
FORM OF CERTIFICATION**

This certification (“Certification”) of Commercial Operation is delivered by \_\_\_\_\_ (“Seller”) to Pacific Gas and Electric Company (“Buyer”) in accordance with the terms of that certain Power Purchase Agreement dated as of the Execution Date (“Agreement”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement. Seller hereby certifies and represents to Buyer the following:

1. The Unit or Units representing at least ninety-five percent (95%) of the Contract Capacity are capable of generating energy in accordance with the manufacturer’s specifications (“Unit Mechanical Completion”), as certified by the manufacturer, and provided to Buyer.
2. The electrical collection system related to the Unit or Units referenced in (1) above is complete, functional, and energized for the Project.
3. Seller’s collector substation is complete and capable of delivering Product as described in the Agreement.
4. The Participating Transmission Provider or Distribution Provider has provided documentation supporting; (1) full unrestricted release for Commercial Operation, (2) Seller’s ability to deliver the Product to the Delivery Point. If applicable, the CAISO has provided notification of Commercial Operation, in accordance with the CAISO tariff. Such documentation and notification shall be provided to Buyer.

A certified statement of the Licensed Professional Engineer, attached hereto, has been provided as evidence of Commercial Operation of the Project to provide an As-Available Product and meet, at a minimum, the requirements indicated herein.

EXECUTED by SELLER this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[LICENSED PROFESSIONAL ENGINEER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



*[This version of Appendix IV-2 only applies to Baseload Product]*

## **APPENDIX IV-2**

### **COMMERCIAL OPERATION CERTIFICATION PROCEDURE**

#### **AND PROCEDURE FOR CAPACITY TESTING**

During the period of initial start-up operations of the Facility, Seller shall conduct a performance test of the Facility to demonstrate that the Facility is capable of delivering the Contract Capacity as of the Commercial Operation Date (“Capacity Test”). The Capacity Test shall consist of the following:

1. The Facility must deliver an average instantaneous net plant generation of at least ninety-five percent (95%) of the Contract Capacity, as metered by the plant's CAISO revenue meter, which shall be calculated as the total metered generation delivered to the Delivery Point divided by the number of hours in performance test period,
2. The performance test period shall consist of seventy-two (72) consecutive hours of continuous plant generation,
3. With all plant equipment operating normally for the duration of the performance test,
4. The CAISO meter reads shall not be corrected for ambient conditions,
5. The Buyer has the right but not the obligation to witness the performance test, including inspection of the plant equipment, systems, and records, to assess normal operations,
6. The Seller will deliver written results of the performance test to Buyer within (5) business days of completing the performance test, which include the result of the performance test, CAISO raw meter reads for the performance test period in electronic file format approved by the Buyer, and a copy of the latest CAISO meter calibration certificate.

## APPENDIX V

### GEP DAMAGES CALCULATION

In accordance with the provisions in Section 3.1(e)(ii), GEP Damages means the liquidated damages payment due by Seller to Buyer, calculated as follows:

$$[(A-B) \times (C-D)]$$

Where:

A = the Guaranteed Energy Production for the Performance Measurement Period, in MWh

B = Sum of Delivered Energy over the Performance Measurement Period, in MWh

C = Replacement Price for the Performance Measurement Period, in \$/MWh, reflecting the sum of (a) the simple average of the simple average of the Day Ahead Integrated Forward Market hourly price, as published by the CAISO, for the Existing Zone Generation Trading Hub, in which the Project resides, plus (b) \$50/MWh

D = the unweighted Contract Price specified in the Cover Sheet for the Performance Measurement Period, in \$/MWh

The Parties agree that in the above calculation of GEP Damages, the result of “(C-D)” shall not be less than \$20/MWh and shall be no greater than seventy five percent (75%) of the Contract Price (in \$/MWh) set forth in the Cover Sheet.

## APPENDIX VI

### NOTIFICATION REQUIREMENTS FOR AVAILABLE CAPACITY AND PROJECT OUTAGES

#### **A. NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN**

Prior to paralleling to or after disconnecting from the electric system, ALWAYS follow your balancing authority rules and notify your applicable Participant Transmission Owner's (PTO) local switching center and notify Buyer's Real Time Desk by telephone as follows:

- Contact the applicable Participant Transmission Owner's (PTO) local switching center and Buyer's Real Time Desk to parallel before any start-up
- Contact the applicable Participant Transmission Owner's (PTO) local switching center and Buyer's Real Time Desk again with parallel time after start-up.
- Contact the applicable Participant Transmission Owner's (PTO) local switching center and Buyer's Real Time Desk after any separation and report the separation time as well as the date and time estimate for return to service.

Buyer's Real Time Desk Primary Telephone: (415) 973-4500.

#### **B. SUBMISSION OF AVAILABLE CAPACITY AND PROJECT OUTAGES**

1. Submit information by posting to PG&E's Power Procurement Information Center, which is located at [www.pge.com](http://www.pge.com) under "B2B" at the bottom of the home page. After selecting "B2B" at the bottom of the page, select "Wholesale Power" in the center of the next page. Then select "Electric Procurement" along the left banner of the next page. After selecting the "Power Procurement Information Center" icon in the middle of the page, you will be required to enter a username and password, which will be assigned to you by PG&E's Bilateral Settlements Group.
2. If the website is unavailable, implement the procedures set forth below:
  - a. **For all email correspondence, enter the following in the email subject field: Delivery Date Range, Contract Name, Email Purpose (For example: "dd/mm/yyyy through dd/mm/yyyy XYZ Company Project #2 Daily Forecast of Available Capacity")**
  - b. For Annual Forecasts of Available Capacity, email to [DAenergy@pge.com](mailto:DAenergy@pge.com) and [Bilat Settlements@pge.com](mailto:BilatSettlements@pge.com).
  - c. For Monthly and Daily Forecasts of Available Capacity, email to [DAenergy@pge.com](mailto:DAenergy@pge.com).
  - d. For Daily Forecasts of Available Capacity after fourteen (14) hours before the WECC Preschedule Day, but before the CAISO deadline for submitting Day-Ahead Schedules, call primary phone (415) 973-6222 or backup phone (415) 973-4500. Also send email to [DAenergy@pge.com](mailto:DAenergy@pge.com).
  - e. For Hourly Forecasts of Available Capacity, call PG&E's Real Time Desk at (415) 973-4500 and email to [RealTime@pge.com](mailto:RealTime@pge.com).

- f. For Planned Outages and Prolonged Outages, complete the specifics below and submit by email to DAenergy@pge.com and Bilat\_Settlements@pge.com.
- g. For Forced Outages, complete the specifics below and submit by email to RealTime@pge.com and Bilat\_Settlements@pge.com.
  - i. ***Email subject Field: dd/mm/yyyy through dd/mm/yyyy XYZ Company Project #2 Outage Notification***
  - ii. ***Email body:***
    - 1. ***Type of Outage: Planned Outage, Forced Outage, Prolonged Outage***
    - 2. ***Start Date and Start Time***
    - 3. ***Estimated or Actual End Date and End Time***
    - 4. ***Date and time when reported to PG&E and name(s) of PG&E representative(s) contacted***
    - 5. ***Text description of additional information as needed, including, but not limited to, changes to a Planned Outage, Prolonged Outage or Forced Outage.***

## APPENDIX VII

### RESOURCE ADEQUACY

1. Seller and Buyer agree that throughout the Delivery Term the Parties shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable Buyer to use the RA Capacity to satisfy Buyer's Resource Adequacy Requirements. Such commercially reasonable actions may include, but are not limited to, the following:
  - A. Cooperating with and encouraging the regional entity, including the CAISO, if applicable, responsible for Resource Adequacy administration to certify or qualify the Contract Capacity for Resource Adequacy Requirements purposes. This includes following requirements the CAISO and/or CPUC has established and may establish in the future, including calculation of RA Capacity over all hours required for Resource Adequacy Requirement eligibility, and delivery of the RA Capacity to the Interconnection Point; and
  - B. Negotiating in good faith to make necessary amendments, if any, to this Agreement to conform this Agreement to subsequent clarifications, revisions or decisions of the CPUC or any other entity, including the CAISO, with respect to Resource Adequacy.
2. Seller shall comply with the Resource Adequacy reporting requirements set forth in Section 40 of the CAISO Tariff as may be changed from time to time, including but not limited to the following:
  - A. Taking all actions to register the Project with the CAISO to ensure that the Project's Capacity Attributes and/or Contract Capacity is able to be recognized and counted as RA Capacity;
  - B. Coordinating with Buyer on the submission to the CAISO of the Monthly Resource Adequacy Plan, as defined in the CAISO Tariff;
  - C. Complying with the dispatch requirements applicable to the Project's resource type, as set forth in Section 40 of the CAISO Tariff; and
  - D. Complying with the applicable reporting requirements, such as submitting Supply Plans to the CAISO.
3. RA Capacity Delivery Point. The delivery point for the Project, with respect to Buyer's Resource Adequacy Requirements, shall be the Interconnection Point for the Project.

**APPENDIX VIII**

**FORM OF CONSENT TO ASSIGNMENT**

## CONSENT AND AGREEMENT

This CONSENT AND AGREEMENT (“Consent and Agreement”) is entered into as of [\_\_\_\_\_, 2\_\_\_], between PACIFIC GAS AND ELECTRIC COMPANY (“PG&E”), and [\_\_\_\_\_] , as collateral agent (in such capacity, “Financing Provider”), for the benefit of various financial institutions (collectively, the “Secured Parties”) providing financing to [\_\_\_\_\_] (“Seller”). PG&E, Seller, and the Financing Provider shall each individually be referred to a “Party” and collectively as the “Parties”.

### **Recitals**

A. Pursuant to that certain Power Purchase Agreement dated as of \_\_\_\_\_, 2\_\_\_ (as amended, modified, supplemented or restated from time to time, as including all related agreements, instruments and documents, collectively, the “Assigned Agreement”) between PG&E and Seller, PG&E has agreed to purchase energy from Seller.

B. The Secured Parties have provided, or have agreed to provide, to Seller financing (including a financing lease) pursuant to one or more agreements (the “Financing Documents”), and require that Financing Provider be provided certain rights with respect to the “Assigned Agreement” and the “Assigned Agreement Accounts,” each as defined below, in connection with such financing.

C. In consideration for the execution and delivery of the Assigned Agreement, PG&E has agreed to enter into this Consent and Agreement for the benefit of Seller.

### **Agreement**

1. Definitions. Any capitalized term used but not defined herein shall have the meaning specified for such term in the Assigned Agreement.

2. Consent. Subject to the terms and conditions below, PG&E consents to and approves the pledge and assignment by Seller to Financing Provider pursuant to the Loan Agreement and/or Security Agreement of (a) the Assigned Agreement, and (b) the accounts, revenues and proceeds of the Assigned Agreement (collectively, the “Assigned Agreement Accounts”).

3. Limitations on Assignment. Financing Provider acknowledges and confirms that, notwithstanding any provision to the contrary under applicable law or in any Financing Document executed by Seller, Financing Provider shall not assume, sell or otherwise dispose of the Assigned Agreement (whether by foreclosure sale, conveyance in lieu of foreclosure or otherwise) unless, on or before the date of any such assumption, sale or disposition, Financing Provider or any third party, as the case may be, assuming, purchasing or otherwise acquiring the Assigned Agreement (a) cures any and all defaults of Seller under the Assigned Agreement which are capable of being cured and which are not personal to the Seller, (b) executes and delivers to PG&E a written assumption of all of Seller’s rights and obligations under the Assigned Agreement in form and substance reasonably satisfactory to PG&E, (c) otherwise satisfies and complies with all requirements of the Assigned Agreement, (d) provides such tax and enforceability assurance as PG&E may reasonably request, and (e) is a Permitted Transferee (as defined below). Financing Provider further acknowledges that the assignment of the Assigned Agreement and the Assigned Agreement Accounts is for security purposes only and that Financing Provider has no rights under the Assigned Agreement or the Assigned Agreement Accounts to enforce the provisions of the Assigned Agreement or the Assigned Agreement Accounts unless and until an event of default has occurred and is continuing under the Financing Documents between Seller and Financing Provider (a “Financing Default”), in which case Financing Provider shall be entitled to all of the rights and benefits and subject to all of the obligations which Seller then has or may have under the Assigned Agreement to

the same extent and in the same manner as if Financing Provider were an original party to the Assigned Agreement.

“Permitted Transferee” means any person or entity who is reasonably acceptable to PG&E. Financing Provider may from time to time, following the occurrence of a Financing Default, notify PG&E in writing of the identity of a proposed transferee of the Assigned Agreement, which proposed transferee may include Financing Provider, in connection with the enforcement of Financing Provider’s rights under the Financing Documents, and PG&E shall, within thirty (30) business days of its receipt of such written notice, confirm to Financing Provider whether or not such proposed transferee is a “Permitted Transferee” (together with a written statement of the reason(s) for any negative determination) it being understood that if PG&E shall fail to so respond within such thirty (30) business day period such proposed transferee shall be deemed to be a “Permitted Transferee”.

#### 4. Cure Rights.

(a) Notice to Financing Provider by PG&E. PG&E shall, concurrently with the delivery of any notice of an event of default under the Assigned Agreement (each, an “Event of Default”) to Seller (a “Default Notice”), provide a copy of such Default Notice to Financing Provider pursuant to Section 9(a) of this Consent and Agreement. In addition, Seller shall provide a copy of the Default Notice to Financing Provider the next business day after receipt from PG&E, independent of any agreement of PG&E to deliver such Default Notice.

(b) Cure Period Available to Financing Provider Prior to Any Termination by PG&E. Upon the occurrence of an Event of Default, subject to (i) the expiration of the relevant cure periods provided to Seller under the Assigned Agreement, and (ii) Section 4(a) above, PG&E shall not terminate the Assigned Agreement unless it or Seller provides Financing Provider with notice of the Event of Default and affords Financing Provider an Additional Cure Period (as defined below) to cure such Event of Default. For purposes of this Agreement “Additional Cure Period” means (i) with respect to a monetary default, ten (10) days in addition to the cure period (if any) provided to Seller in the Assigned Agreement, and (ii) with respect to a non-monetary default, thirty (30) days in addition to the cure period (if any) provided to Seller in the Assigned Agreement.

(c) Failure by PG&E to Deliver Default Notice. If neither PG&E nor Seller delivers a Default Notice to Financing Provider as provided in Section 4(a), the Financing Provider’s applicable cure period shall begin on the date on which notice of an Event of Default is delivered to Financing Provider by either PG&E or Seller. Except for a delay in the commencement of the cure period for Financing Provider and a delay in PG&E’s ability to terminate the Assigned Agreement (in each case only if both PG&E and Seller fail to deliver notice of an Event of Default to Financing Provider), failure of PG&E to deliver any Default Notice shall not waive PG&E’s right to take any action under the Assigned Agreement and will not subject PG&E to any damages or liability for failure to provide such notice.

(d) Extension for Foreclosure Proceedings. If possession of the Project (as defined in the Assigned Agreement) is necessary for Financing Provider to cure an Event of Default and Financing Provider commences foreclosure proceedings against Seller within thirty (30) days of receiving notice of an Event of Default from PG&E or Seller, whichever is received first, Financing Provider shall be allowed a reasonable additional period to complete such foreclosure proceedings, such period not to exceed ninety (90) days; provided, however, that Financing Provider shall provide a written notice to PG&E that it intends to commence foreclosure proceedings with respect to Seller within ten (10) business days of receiving a notice of such Event of Default from PG&E or Seller, whichever is received first. In the event Financing Provider succeeds to Seller’s interest in the Project as a result of foreclosure



proceedings, the Financing Provider or a purchaser or grantee pursuant to such foreclosure shall be subject to the requirements of Section 3 of this Consent and Agreement.

5. Setoffs and Deductions. Each of Seller and Financing Provider agrees that PG&E shall have the right to set off or deduct from payments due to Seller each and every amount due PG&E from Seller whether or not arising out of or in connection with the Assigned Agreement. Financing Provider further agrees that it takes the assignment for security purposes of the Assigned Agreement and the Assigned Agreement Accounts subject to any defenses or causes of action PG&E may have against Seller.

6. No Representation or Warranty. Seller and Financing Provider each recognizes and acknowledges that PG&E makes no representation or warranty, express or implied, that Seller has any right, title, or interest in the Assigned Agreement or as to the priority of the assignment for security purposes of the Assigned Agreement or the Assigned Agreement Accounts. Financing Provider is responsible for satisfying itself as to the existence and extent of Seller's right, title, and interest in the Assigned Agreement, and Financing Provider releases PG&E from any liability resulting from the assignment for security purposes of the Assigned Agreement and the Assigned Agreement Accounts.

7. Amendment to Assigned Agreement. Financing Provider acknowledges and agrees that PG&E may agree with Seller to modify or amend the Assigned Agreement, and that PG&E is not obligated to notify Financing Provider of any such amendment or modification to the Assigned Agreement. Financing Provider hereby releases PG&E from all liability arising out of or in connection with the making of any amendment or modification to the Assigned Agreement.

8. Payments under Assigned Agreement. PG&E shall make all payments due to Seller under the Assigned Agreement from and after the date hereof to [\_\_\_\_], as depository agent, to ABA No. [\_\_\_\_], Account No. [\_\_\_\_], and Seller hereby irrevocably consents to any and all such payments being made in such manner. Each of Seller, PG&E and Financing Provider agrees that each such payment by PG&E to such depository agent of amounts due to Seller from PG&E under the Assigned Agreement shall satisfy PG&E's corresponding payment obligation under the Assigned Agreement.

9. Miscellaneous.

(a) Notices. All notices hereunder shall be in writing and shall be deemed received (i) at the close of business of the date of receipt, if delivered by hand or by facsimile or other electronic means, or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid, provided such notice was properly addressed to the appropriate address indicated on the signature page hereof or to such other address as a party may designate by prior written notice to the other parties, at the address set forth below:

If to Financing Provider:	
Name:	
Address:	
Attn:	
Telephone:	
Facsimile:	
Email:	

If to PG&E:	
Name:	
Address:	
Attn:	
Telephone:	
Facsimile:	
Email:	

(b) No Assignment. This Consent and Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of PG&E, and shall be binding on and inure to the benefit of the Financing Provider, the Secured Parties and their respective successors and permitted transferees and assigns under the loan agreement and/or security agreement.

(c) No Modification. This Consent and Agreement is neither a modification of nor an amendment to the Assigned Agreement.

(d) Choice of Law. The parties hereto agree that this Consent and Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

(e) No Waiver. No term, covenant or condition hereof shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

(f) Counterparts. This Consent and Agreement may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

(g) No Third Party Beneficiaries. There are no third party beneficiaries to this Consent and Agreement.

(h) Severability. The invalidity or unenforceability of any provision of this Consent and Agreement shall not affect the validity or enforceability of any other provision of this Consent and Agreement, which shall remain in full force and effect.

(i) Amendments. This Consent and Agreement may be modified, amended, or rescinded only by writing expressly referring to this Consent and Agreement and signed by all parties hereto.

IN WITNESS WHEREOF, each of PG&E and Financing Provider has duly executed this Consent and Agreement as of the date first written above.

PACIFIC GAS AND ELECTRIC COMPANY (PG&E)

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

[\_\_\_\_\_] (Financing Provider), as collateral agent

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

**ACKNOWLEDGEMENT**

The undersigned hereby acknowledges the Consent and Agreement set forth above, makes the agreements set forth therein as applicable to Seller, including the obligation of Seller to provide a copy of any Default Notice it receives from PG&E to Financing Provider the next business day after receipt by Seller, and confirms that the Financing Provider identified above and the Secured Parties have provided or are providing financing to the undersigned.

[\_\_\_\_\_] [name of Seller]

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

## APPENDIX IX

### SELLER DOCUMENTATION CONDITION PRECEDENT

Seller shall provide to Buyer all of the following documentation at least two (2) Business Days prior to the Execution Date:

1. A copy of each of (A) the articles of incorporation, certificate of incorporation, operating agreement or similar applicable organizational document of Seller and (B) the by-laws or other similar document of Seller (collectively, "Charter Documents") as in effect on the Execution Date.
2. A certificate signed by an authorized officer of Seller, dated the Execution Date, certifying (A) that attached thereto is a true and complete copy of the Charter Documents of the Seller, as in effect at all times from the date on which the resolutions referred to in clause (B) below were adopted to and including the date of such certificate; (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors (or other equivalent body) or evidence of all corporate or limited liability company action, as the case may be, of Seller, authorizing the execution, delivery and performance of this Agreement, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (C) as to the name, incumbency and specimen signature of each officer of Seller executing this Agreement.
3. A certificate from the jurisdiction of Seller's incorporation or organization certifying that Seller is duly organized, validly existing and in good standing under the laws of such jurisdiction.
4. Evidence of Site control (e.g. lease with redacted price terms) satisfactory to Buyer.
5. Evidence of CEC Certification and Verification (pre-certification) satisfactory to Buyer.
6. A copy of the most recent financial statements (which may be unaudited) from Seller together with a certificate from the Chief Financial or equivalent officer of Seller, dated the Execution Date, to the effect that, to the best of such officer's knowledge, (A) such financial statements are true, complete and correct in all material respects and (B) there has been no material adverse change in the financial condition, operations, Properties, business or prospects of Seller since the date of such financial statements.
7. An executed Letter of Concurrence in the form specified in Appendix XII.

*[Only include this Appendix for As-Available Product]*

## **APPENDIX X**

### **FORM OF ACTUAL AVAILABILITY REPORT**

Pursuant to Section 3.1(l)(i), Seller shall prepare an Actual Availability Report in accordance with the procedures described in this Appendix X.

- (a) Availability Workbook. Seller shall (i) collect the measurement data, listed in (b) below, in one (1) or more Microsoft Excel Workbooks (the “Availability Workbook”) provided in a form and naming convention approved by Buyer and (ii) electronically send the Availability Workbook to an address provided by Buyer. The Actual Availability Report shall reflect the sum of the Settlement Interval Actual Available Capacity of all generators as measured by such generator’s internal turbine controller.
- (b) Log of Availability. The Availability Workbook shall be created on a single, dedicated Excel worksheet and shall be in the form of Attachment A to this Appendix X.

**APPENDIX X**

**Attachment A**

**Form of Actual Availability Report**

**Seller's Actual Availability Report**

*All amounts are in MWs*

<b>Settlement Interval No.</b>	<b>Date</b>	<b>HE1</b>	<b>HE2</b>	<b>HE3</b>	<b>HE4</b>	<b>HE5</b>	<b>HE6</b>	<b>HE7</b>	<b>HE8</b>	<b>HE9</b>	<b>HE10</b>	<b>HE11</b>	<b>HE12</b>	<b>HE13</b>	<b>HE14</b>	<b>HE15</b>	<b>HE16</b>	<b>HE17</b>	<b>HE18</b>	<b>HE19</b>	<b>HE20</b>	<b>HE21</b>	<b>HE22</b>	<b>HE23</b>	<b>HE24</b>
1	mm/dd/yyyy																								
2	mm/dd/yyyy																								
3	mm/dd/yyyy																								
4	mm/dd/yyyy																								
5	mm/dd/yyyy																								
6	mm/dd/yyyy																								
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3	mm/dd/yyyy																								
4	mm/dd/yyyy																								
5	mm/dd/yyyy																								
6	mm/dd/yyyy																								

Date/Time of Submittal \_\_\_\_\_

**APPENDIX XI**

**TELEMETRY PARAMETERS FOR WIND OR SOLAR FACILITY**

<b>Technology Type</b>	<b>Telemetry Parameters</b>	<b>Units</b>	
<b>Solar Photovoltaic</b>	Back Panel Temperature	°C	
	Global Horizontal Irradiance	W/m <sup>2</sup>	
	Plane of Array Irradiance (If PV is fixed) Direct Normal Irradiance (If PV is Tracking)	W/m <sup>2</sup>	
	Wind Speed	m/s	
	Peak Wind Speed (Within 1 minute)	m/s	
	Wind Direction	Degrees	
	Ambient Air Temperature	°C	
	Dewpoint Air Temperature or Relative Humidity	°C	
	Horizontal Visibility	m	
	Precipitation (Rain Rate)	mm/hr	
	Precipitation (Running 30 day total)	mm	
	Barometric Pressure	Millibars Or Hecto Pascals (HPa)	
	<b>Solar Thermal or Solar Trough</b>	Global Horizontal Irradiance	W/m <sup>2</sup>
		Plane of Array Irradiance (If PV is fixed) Direct Normal Irradiance (If PV is Tracking)	W/m <sup>2</sup>
Wind Speed		m/s	
Peak Wind Speed (Within 1 minute)		m/s	
Wind Direction		Degrees	
Ambient Air Temperature		°C	
Dewpoint Air Temperature or Relative Humidity		°C	
Horizontal Visibility		m	
Precipitation (Rain Rate)		mm/hr	
Precipitation (Running 30 day total)		mm	
Barometric Pressure		Millibars Or Hecto Pascals (HPa)	
<b>Wind</b>		Wind Speed	m/s
		Peak Wind Speed (Within 1 minute)	m/s
	Wind Direction	Degrees	
	Wind Speed Standard Deviation	--	
	Wind Direction Standard Deviation	--	
	Barometric Pressure	Millibars Or Hecto Pascals (HPa)	
	Ambient Temperature	°C	

## APPENDIX XII

### FORM OF LETTER OF CONCURRENCE

[Date]

[Name]

[Position]

[Company]

[Address]

Re: Letter of Concurrence Regarding Control of [Name] Facility

This letter sets forth the understanding of the degree of control exercised by Pacific Gas and Electric Company (“PG&E”) and [Company Name] with respect to [Facility Name (the “Facility”)] for the purposes of facilitating compliance with the requirements of the Federal Energy Regulatory Commission’s (“Commission”) Order No. 697.<sup>1</sup> Specifically, Order No. 697 requires that sellers filing an application for market-based rates, an updated market power analysis, or a required change in status report with regard to generation specify the party or parties they believe have control of the generation facility and extent to which each party holds control.<sup>2</sup> The Commission further requires that “a seller making such an affirmative statement seek a ‘letter of concurrence’ from other affected parties identifying the degree to which each party controls a facility and submit these letters with its filing.”<sup>3</sup>

PG&E and [Company Name] have executed a [power purchase and sale agreement (the “Agreement”)] with regard to the Facility. The Facility is a [XX] MW [description] facility located in [County, State]. Pursuant to the Agreement, [Company Name] maintains sole control of the Facility.

If you concur with the statements made in this letter, please countersign the letter and send a copy to me.

Best regards,

\_\_\_\_\_  
[Author]

[Position]

Pacific Gas and Electric Company

#### **Concurring Statement**

On behalf of [Company Name], I am authorized to countersign this letter in concurrence with its content.

By: \_\_\_\_\_

[Name]

[Company Position]

[Company Name]

<sup>1</sup> *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697 at P 186-187, FERC Stats. & Regs. ¶ 31,252, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh’g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 (2008), *clarified*, 124 FERC ¶ 61,055 (2008), *order on reh’g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh’g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh’g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010).

<sup>2</sup> Order No. 697 at P 186.

<sup>3</sup> Order No. 697 at P 187.



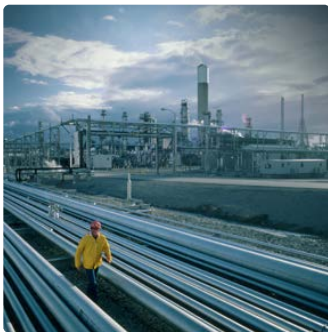
## **Appendix E**

**Independent Evaluator Report**

**REDACTED IN PART**

# Independent Evaluator Report

Advice Letter Filing of Renewable Auction Mechanism (“RAM”)  
Agreements in Accordance with the PG&E RAM Request for Offers  
 (“RFO”)



March 22, 2012

**SUBJECT: Advice Letter Filing of Renewable Auction Mechanism (“RAM”) Agreements in Accordance with the PG&E RAM Request for Offers (“RFO”).**

**Describe in detail the role of the IE throughout the solicitation and negotiation process.**

Pacific Gas & Electric (“PG&E”) retained Charles Adkins, of Ventyx LLC, to provide Independent Evaluator (“IE”) Services for PG&E’s RAM RFO. Specifically, Mr. Adkins worked with PG&E to ensure that offers were evaluated consistently and appropriately in accordance with the solicitation protocol and in accordance with applicable rules and processes of the California Public Utilities Commission (“CPUC”). The role of the Independent Evaluator is defined in Resolution E-4414 Attachment C, “Utilities will employ an Independent Evaluator to assess the competitiveness and integrity of each RAM auction and submit the IE’s report with its Tier 2 advice letter requesting approval of contracts resulting from those auctions. Mr. Adkins has been involved with PG&E’s RAM RFO throughout the process.

Mr. Adkins active involvement began in August of 2011. On August 8, 2011, the CPUC issued their revised rules for the RAM RFO, Resolution E-4414. Mr. Adkins and the PG&E solicitation team conducted a project kick-off meeting, August 29, 2011, where the overall RAM RFO schedule was discussed. During the month of September 2011, Mr. Adkins reviewed the PG&E draft protocols and Resolution E-4414. On September 14, 2011, Mr. Adkins provided PG&E with comments on the solicitation documents. The nature of Mr. Adkins’ comments was editorial and did not affect content of the solicitation documents. Mr. Adkins reviewed the standard purchased power agreement (“PPA”) and the proposed bidder list for outreach. Prior to the issuance of the RAM RFO, Mr. Adkins reviewed the PG&E web site ([www.pge.com/rfo/RAM](http://www.pge.com/rfo/RAM)) from a bidder’s perspective to ensure that all registrations were valid and all links were live. In addition, Mr. Adkins filled out the forms associated with the RAM RFO to validate the ease of use and completeness of the forms. The last issue addressed by Mr. Adkins prior to bid release was the nature of affiliate bids. PG&E did not have any affiliate bids in the RAM RFO.

Upon release of the RAM RFO, Mr. Adkins was involved in all bidder communications. PG&E’s RAM RFO clearly spelled out that the IE was to be included in all communications. Mr. Adkins reviewed and tracked bidder questions and PG&E’s responses. On October 28, 2011, Mr. Adkins attended the PG&E RAM RFO Bidder’s Conference. Mr. Adkins also used this visit to initiate dialogue with the CPUC regarding the format of the IE report. At issue were a number of requirements including in the “standard CPUC IE report template” that were not relevant to this offering, such as; the least cost best fit methodology, brownfield/repowering, contract viability, evaluation of contract negotiations, and utility asset ownership. Prior to the RAM RFO Offers due date of November 15, 2011, Mr. Adkins continued to review and track bidder questions and PG&E’s responses.

On November 15, 2011, Mr. Adkins received and processed the bids. Mr. Adkins and PG&E staff met on November 15, 2011 to review and compare the received bid list. A number of bidders failed to include Mr. Adkins on their original offering and PG&E sent the missing bids to Mr. Adkins. Mr. Adkins performed an electronic review of the Bid Forms to determine the completeness of the bidder’s responses. While PG&E conducted their review of the bids, Mr. Adkins reviewed PG&E’s detailed internal processes for offer scoring and selection.

Throughout November and December of 2011, Mr. Adkins reviewed and monitored discussions between bidders and PG&E staff regarding bid confirmations, bid deficiency notices, and general issues/questions. In early December, Mr. Adkins and PG&E reviewed and discussed the initial bid evaluations and deficiency notices. Prior to PG&E’s first Steering Committee meeting on December 16, 2011, Mr. Adkins provided a preliminary assessment of the RAM RFO evaluation. Throughout January and February, Mr. Adkins attended several meetings with PG&E Staff, PG&E Steering Committee, and the PRG to review PG&E’s evaluation and recommendations. At these meetings, Mr. Adkins presented his opinion of the PG&E’s satisfactory conduct

through the solicitation and evaluation process. Mr. Adkins also provided input to the PRG group regarding the competitiveness of the Baseload and As-Available Non-Peaking categories.

The final IE report template was communicated March 9, 2012, and used for this IE report.

### **How did the IOU conduct outreach to bidders, and was the solicitation robust?**

PG&E has posted all relevant information regarding the RAM RFO on the PG&E Website under the Wholesale Electric Power Procurement section of the Energy Supply page. A Google search of "PG&E RAM RFO" adequately directed web users to the PGE RAM RFO web page. PG&E conducted a direct e-mail campaign to 1,826 general potential bidders. PG&E also sent the direct e-mail campaign to a list of 131 respondents to their Solar PV solicitation and to a list of 69 Diverse Suppliers that PG&E's sourcing department uses for their programs. In total, the solicitation was sent to 2,026 potential bidders.

On September 19, 2011, PG&E e-mailed the RAM RFO to the potential bidders. On October 28, 2011, PG&E conducted a Bidder's Conference that was open to the public. 147 potential bidders, representing 114 independent companies, physically attended the Bidder's conference. In addition, PG&E provided phone and web access to the Bidder's Conference for any participants that could not attend physically. Mr. Adkins also attended the Bidder's Conference.

PG&E's RAM RFO protocols conformed to Resolution E-4414 and is consistent with FERC's Edgar criteria. PG&E's RAM RFO meets the FERC objective of transparency because the solicitation was open to the market and fairly administered to all market participants. PG&E's RAM RFO meets the FERC objective of clearly defined in that all the products that were sought were precisely defined. PG&E RAM RFO meets the FERC objective of a fair evaluation because the evaluation protocols were clearly defined in Resolution E-4414 and applied equally to all bids. Finally, PG&E RAM RFO meets the FERC objective of oversight by using an independent third party to monitor PG&E's solicitation process.

PG&E staff was committed and responsive to questions from potential bidders. Between the period the RFP was issued and the Bidder Conference, PG&E received a number of questions from potential bidders. PG&E's responses were timely, usually answered the same day. PG&E responses were consistent with the RAM RFO protocol.

The Bidder's Conference was the first formal venue for potential bidders to directly speak with PG&E Staff. On October 28, 2011, PG&E conducted a Bidder's Conference that was open to the public. The purpose of the Bidder's Conference was to assist participants who may submit Offers to PG&E's 2011 Renewable Auction Mechanism (RAM) RFO or future RAM RFO's. Physically present bidders could ask questions via a written request on an index card and participants on the web or phone could e-mail questions to the RAM RFO mailbox. The bidder conference covered: 1) the PGE RAM RFO procurement targets, 2) RFO Schedule, 3) Role of the Independent Evaluator, 4) Eligibility Requirements, 5) Purchase Power Agreement ("PPA") overview, 6) Time of Delivery ("TOD") Factors, 7) Evaluation Methodology, 8) Offer Selection, 9) Offer Submittal Process and Offer From, 10) Keys to a successful proposal, 11) Offer Price Assumptions, 12) Offer Submittal, 12) Required Offer Submission Forms, 13) Communications and Website, 14) Offer Form Structure, 15) Offer Form Instructions, 16) Interconnection Information, 17) Generation Interconnection Services, and 18) Questions and Answers. PG&E had adequate staff physically available to respond to bidder questions. Thirty-six questions were posed by the bidders. PG&E responded to all questions in a timely and thorough basis.

Following the determination of PG&E's selected bidders, PG&E provided feedback sessions, upon request, with bidders that were not selected. The purpose of these meetings was to address any outstanding questions that the bidders may have and to provide feedback as to the statistical quartile ranking of their bid.

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**Was the outreach sufficient and materials clear such that the bids received meet the needs the solicitation was intending to fill?**

Mr. Adkins finds that sufficient publicity surrounded the RAM RFO release. In addition to PG&E's RAM RFO, other California utilities were issuing similar RAM RFO's. In informal discussions with Bidder Conference attendees, Mr. Adkins questioned bidders about the adequacy of PG&E's outreach and found that potential bidders were very aware of PG&E's solicitation. Mr. Adkins also questioned bidders about the RAM RFO materials and found that the potential bidders found the material clear and sufficient. Mr. Adkins has no recommendations to extend the bidder outreach.

Mr. Adkins further reviewed the list of questions posed by the potential bidders to identify any potential communication issues. Based upon the questions posed by bidders and PG&E responses, Mr. Adkins does not find any deficiencies with the PG&E's solicitation or their communication with the bidders.

Mr. Adkins finds that PG&E staff was very conscientious in communicating with the bidders. After the bids were received, PG&E uncovered a minor error in the RAM RFO solicitation forms. PG&E's approach was commendable. PG&E notified the bidders of the error. PG&E then corrected the bidder's forms and sent the corrected forms for back to the bidders for review.

Mr. Adkins was unable to attend all of the feedback sessions. Of the sessions that Mr. Adkins was able to attend, he found PG&E feedback to be clear and consistent.

**Please evaluate the fairness of the IOU's bidding and selection process. (i.e. quantitative and qualitative methodology used to evaluate bids, consistency of evaluation methods with criteria specified in bid documents, etc.)?**

PG&E received a total of 122 offers from 52 individual companies. The received offers are broken down into the following categories:

- Baseload, five offers for a total offered capacity of 65 MW;
- As Available Non-Peaking , three offers for a total offered capacity of 18 MW; and
- As Available On-Peak, 114 for a total offered capacity of 1,456 MW.

PG&E eliminated five offers as non-conforming, one from the Baseload category and four from the As Available On-Peak category. These offers did not meet the interconnection eligibility requirements.

Mr. Adkins reviewed the bids that did not meet the eligibility requirements to provide interconnection eligibility requirements and found PG&E's determination consistent with the RAM RFO protocols.

Resolution E-4414 defines the selection process. "Each product is selected on the basis of price, least expensive first until the capacity limit in each solicitation is reached; IOU may normalize (adjust) bids to place bids on an equivalent basis before making least cost selection using method approved, if any, in the advice letter implementing RAM; IOUs should add the estimated transmission network upgrade costs to the bids for ranking purposes." PG&E compared offers based on their leveled post-TOD price per megawatt hour ("\$/MWh"). Each offer provided a price and generation profile.

In addition to price, Resolution E-4414 authorizes PG&E to use a seller concentration limit of 20 MW per seller per auction.

In the Baseload category, PG&E selected the Ormat Nevada proposal for 14 MW. Selecting only one proposal failed to meet the Baseload product category minimum of 15 MW. Adding the other offers would have either violated PG&E's seller concentration limit of 20 MW or would have resulted in the execution of contracts that were not competitive with market alternatives. [REDACTED]

[REDACTED]

In the Baseload category, Mr. Adkins agrees with PG&E's decision to not include the other Ormat offer due to seller concentration. Mr. Adkins also agrees with the decision to not add the other two offers due to competitive considerations. Mr. Adkins' review of the Baseload category confirms PG&E's assessment. [REDACTED]

[REDACTED]

In the As-Available Non-Peaking category, PG&E selected the CalWind Resources proposal for 9 MW. Selecting only one proposal failed to meet the As-Available Non-Peaking product category minimum of 15 MW. Adding the other offers would have resulted in the execution of contracts that were not competitive. [REDACTED]

[REDACTED]

In the As-Available Non-Peaking category, Mr. Adkins did not independently confirm PG&E's assessment by reviewing non-RAM related correspondence, but Mr. Adkins has no reason to doubt the accuracy of the data provided by PG&E. Mr. Adkins does share PG&E's concerns about competitiveness. The As-Available Non-Peaking category consisted of three offers for a total of 18 MW. Mr. Adkins is concerned that the total offers barely meet the minimum category target of 15 MW. Because of this lack of competitiveness, Mr. Adkins believes that PG&E's recommendation to go forward with any proposals from this category is risky. However, PG&E's decision to go forward with CalWind Resources proposal does meet the requirements of the RAM RFO solicitation protocols and is the most economic proposal in the category. PG&E's decision to not include more proposals in this category to meet the category minimum is prudent.

In the As-Available On-Peak category, PG&E initially selected two offers, [REDACTED] [REDACTED], for a total of 40 MW. When one of the initial bidders withdrew its proposal, PG&E selected an offer on its waitlist. The final two offers were the Silverado Power Western Antelope Blue Sky Ranch A and TUUSSO Western Antelope projects. These two proposals exceed the 35 MW target for the category and are less than the 55 MW category maximum. [REDACTED]

[REDACTED] was ranked number [REDACTED] and the [REDACTED] was ranked number [REDACTED]. The [REDACTED] proposals were from the same company. Because of seller concentration concerns, PG&E was only able to select one of the proposals.

[REDACTED]

[REDACTED] Mr. Adkins agrees with PG&E's position on selecting the [REDACTED] proposal over the [REDACTED] proposal because on average it is the superior economic choice. With these two proposals totaling 40 MW, PG&E considered adding the next competitively priced proposal. The addition of that proposal would result in a category capacity of 60 MW which exceeds the category maximum of 55 MW. PG&E elected to not pursue a third contract in this category.

PG&E's targets for the Baseload, As-Available Non-Peaking, and As-Available On-Peak categories were 35 MW each, plus or minus 15 MW; at PG&E's discretion. PG&E has selected 14 MW from the Baseload category, 9 MW from the As-Available Non-Peaking category, and 40 MW from the As-Available On-Peak category. PG&E's total recommended capacity is 63 MW. PG&E's total target is 105 MW. PG&E recommendation fails to meet the minimum category requirements for the Baseload and As-Available Non-Peaking category targets, 20 MW. PG&E's justification for failing to meet the category minimums is strictly based on economics and seller concentration.

Mr. Adkins agrees with PG&E's recommendation for the Baseload category. Selecting any more proposals in this category will substantially increase the overall cost. Mr. Adkins agrees with PG&E's recommendation for the As-Available Non-Peaking category. Mr. Adkins believes adding any more proposals in this category will increase overall cost and increase risk. PG&E also looked at using the As-Available On-Peak category to fill out the 105 MW. However, using the As-Available On-Peak category to fill out the 105 MW would exceed the As-Available On-Peak category maximum of 55 MW. Mr. Adkins commends PG&E for exploring all options; however, this consideration was un-necessary as it would exceed the As-Available On-Peak category target.

**If applicable, describe safeguards and methodologies employed by the IOU to compare affiliate bids or UOG ownership proposals. If a utility selected a bid from an affiliate or a bid that would result in utility asset ownership, explain and analyze whether the IOU's selection of such bid(s) was appropriate.**

This section is not applicable; PG&E neither expected nor received an affiliate bid.

**Based on the complete bid process, is (are) the IOU contract(s) the best overall offer(s) received by the IOU?**

Yes, Mr. Adkins finds that PG&E's bid solicitation and evaluation process has resulted in identifying and negotiating the best overall offers received in its RAM RFO.

Mr. Adkins recommends approval of the following contracts:

- Ormat Nevada;
- CalWind Resources;
- Silverado Power; and
- TUUSSO Energy.

**If the contract does not directly reflect a product solicited and bid in an RFO, is the contract superior to the bids received on the products solicited in the RFO? Explain.**

Not applicable, the requirement of Resolution E-4414 states that no negotiations are allowed for non-price terms and conditions. PG&E's contracts are directly related to the products solicited and received by PG&E.

**Is the contract a reasonable way of achieving the need identified in the RFO?**

Yes, the stated objective of Resolution E-4414 was "to lower transaction costs and promote the development of supply-side renewable distributed generation". The CPUC implemented a standard purchase power agreement for PG&E. No negotiations are allowed for the non-price terms and conditions. Mr. Adkins finds PG&E's standard contract sufficient to achieve the needs stated in the RAM RFO. Furthermore, Mr. Adkins reviewed the recommended contracts and found the implementation consistent with the Bidder's proposed intent and consistent with the rules of the RAM RFO.

**Based on your analysis of the RFO bids, the bid process, and the overall market, does the contract merit Commission approval? Explain.**

Yes, PG&E has conducted a thorough solicitation and evaluation consistent with the rules identified in Resolution E-4414. The role of PG&E's Independent Evaluator is to assess the competitiveness and integrity of the RAM RFO. There are two aspects involved in assessing the competitiveness of the RAM RFO. The abstract quality of competition is related to the depth and texture of willing market participants in each of the categories. Mr. Adkins is concerned with the lack of participation of willing market participants in the Baseload and As-Available Non-Peaking. However, Mr. Adkins finds **no fault** with PG&E for this lack of competitiveness. This is purely a function of the marketplace. Mr. Adkins found that the RAM RFO solicitation and the public outreach were sufficient to notify all available market participants. The second aspect of assessing the competitiveness of the RAM RFO is observing the practical RFO solicitation and evaluation activities and determining if they demonstrate a fair contest. Mr. Adkins has found that PG&E's RFO solicitation and evaluation activities were fair and provided no undue bias to any individual bidder. Mr. Adkins further finds that PG&E's RAM RFO solicitation and evaluation activities were conducted in accordance with the complete rules set forth in Resolution E-4414.

**Based on the complete bid process, should some component(s) be changed to ensure future RFOs are fairer or provide a more efficient, lower cost option?**

Yes, PG&E should have greater flexibility in defining category targets in order to respond to the competitive environment. The current definition of the MW limits for each of the categories; Baseload, As-Available Non-Peaking, and As-Available Peaking were arbitrarily defined, evenly split between the three categories. PG&E was unable to fill the Baseload and As-Available Non-Peaking categories due to a limited number of proposals in each category, each had less than four viable proposals.

PG&E is recommending a revision to the category limits to reallocate the targets to make them consistent with the market. PG&E recommends the following category limits: 10% Baseload, 10% As-Available Non-Peaking, and 80% As-Available Peaking. Given the depth of the current market, Mr. Adkins believes this is a step in the right direction.

The primary goal of the RAM process is to lower transaction costs and promote the development of system-side renewable distributed generation. PG&E has a target to procure 105.2 MW per auction. PG&E will be 42.2 MW short of their target because the market failed to offer a sufficient amount of competitive proposals in the Baseload and As-Available Non-Peaking categories. PG&E would have been able to achieve its 105.2 MW auction target had the category targets been more reflective of the marketplace, i.e.; 10%, 10%, and 80%.

Mr. Adkins believes that adjusting the targets to reflect actual market conditions is a good first step. The current arbitrary category targets impose an artificial constraint. As demonstrated in this RAM solicitation, that artificial constraint is restricting PG&E's ability to meet its true target of procuring 105.2 MW per auction. Mr. Adkins does not see a path for PG&E to meet its auction target without imposing undue costs on its ratepayers.

In lieu of fixed product category targets, PG&E **does** have an economic tool that will address the cost issues related to technology and delivery over the three categories. The current Time of Delivery ("TOD") factors are used to adjust a proposal's price to reflect the value to PG&E's ratepayers. On a defined calendar month basis, bids are adjusted to reflect their potential value in the Super-Peak, Shoulder, and Night sub-periods. The resulting price is a levelized price adjusted for technology and delivery and these prices are comparable across categories, i.e., "apples to apples". For example, [REDACTED]

[REDACTED]



[REDACTED]

The Post-TOD pricing for these three category examples are equivalent and comparable to each other because the prices are modified, up or down, on the basis of the value of the energy at the time of delivery. Mr. Adkins recommends that the TOD factors be modified to remove the Resource Adequacy incentives from the TOD.

Mr. Adkins believes that removing the artificial category target constraints will result in 1) PG&E meeting its auction target and 2) a true least cost solution for the ratepayers. Once the price is adjusted for the TOD factors, the pricing is on an apples to apples basis. PG&E should be able to select proposal in merit order, least cost to highest cost, to fill their total auction target. PG&E's recommendation would be based on equivalent economics and seller concentration limits. Mr. Adkins believes this would result in the most economic decision for the rate payers in accordance with the auction targets and the stated objectives of Resolution E-4414.

## **Public Appendix G**

### **Summary of Solicitation Participation**

**APPENDIX A:**

**Names of participating companies and the number of offers per company**

Indicates winning counterparty

Item:	Counterparty Name	Number of Offers Submitted
1	AES Solar Power, LLC	1
2	Annedale Solar, LLC	1
3	Aurich Holdings LLC	1
4	Avalon Development	1
5	BAP Power Corporation/ S-Energy	5
6	Borrego Solar Systems, Inc.	1
7	BP Solar Energy North America LLC	2
8	CalWind Resources, Incorporated	1
9	CleanPath Ventures, LLC	2
10	Commercial Solar Power Inc.	2
11	Community Biomass	1
12	ECOSolarDevelopment LLC	1
13	EI Peco Energy LLC	1
14	Enfinity SPV Holdings, Inc.	1
15	enXco *	3
16	Eurus Solar Holdings LLC	1
17	First Solar Development, Inc.	2
18	Gas Recovery Systems, LLC	1
19	GCL-SR	12
20	Gestam Asetym Solar North America, In	9
21	GWF Solar LLC	1
22	Indeck Energy Services, Inc.	1
23	Infigen Energy US LLC	1
24	Integrated Resource Development LLC	1
25	Lincoln Renewable Energy, LLC	3
26	LS Power GenCo, LLC	1
27	Meridian Energy USA, Inc.	1
28	Monterey County Water Resources Agen	1
29	NRG Solar LLC	2
30	OPDE U.S. Corp	1
31	Ormat Nevada, Inc	2
32	Pioneer Green Energy, LLC	1
33	Recurrent Energy	6
34	Republic Solar Highways I LLC - Branha	8
35	RIOS SOLAR ENERGY, INC	1
36	Rockland Capital	1
37	SilRay, Inc.	4
38	Silverado Power	13
39	Solar Electric Solutions, LLC *	3
40	Solar Monkey	1
41	Solar Power, Inc.	2
42	Solar Project Solutions	1
43	STS Hydropower, Ltd.	1
44	SunEdison, LLC	5
45	Trina Solar US Development LLC	2
46	TUUSSO Energy, LLC	1
47	Valos Solar Ventures, LLC *	2
48	Westlands Solar Farms LLC	1
<b>Total Conforming</b>		<b>117</b>

<b>Non Conforming (did not pass viability screen)</b>		
49	Avalon Development, LLC	1
50	Cal West Energy One	1
51	Gradient	1
52	Peteluma Millenium Solar Fund LLC *	2
<b>Total Non Conforming</b>		<b>5</b>

<b>Total Offers</b>		<b>122</b>
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\* Submitted a size variation of the same project

**APPENDIX A:  
Number of Bids Received and Shortlisted by Product Category**

Selected Offer

Item No:	Counterparty Name	Capacity (MW)	Annual GWh	ERR
<b>Baseload Product Category</b>				
1	Community Biomass	12	88	Biomass Fuel
2	Gas Recovery Systems, LLC	6	47	Landfill Gas
3	Ormat Nevada, Inc	14	98	Geothermal
4	Ormat Nevada, Inc.	18	124	Geothermal
<b>4</b>	<b>Total Baseload Products</b>	<b>50</b>	<b>357</b>	
<b>As Available Non-Peaking Product Category</b>				
1	CalWind Resources, Incorporated	9	15	Wind
2	Monterey County Water Resources Agency	4	18	Hydro
3	STS Hydropower, Ltd.	5	10	Hydro
<b>3</b>	<b>Total As Available Non-Peaking Products</b>	<b>18</b>	<b>43</b>	
<b>As Available Peaking Product Category</b>				
1	AES Solar Power, LLC	8	17	Solar PV
2	Annedale Solar, LLC	20	40	Solar PV
3	Aurich Holdings LLC	20	48	Solar PV
4	Avalon Development, LLC	20	56	Concentrating PV
5	BAP Power Corporation/ S-Energy (Sun Harvest Solar, LLC)	3	5	Solar PV
6	BAP Power Corporation/ S-Energy (Sun Harvest Solar, LLC)	3	5	Solar PV
7	BAP Power Corporation/ S-Energy (Sun Harvest Solar, LLC)	3	5	Solar PV
8	BAP Power Corporation/ S-Energy (Sun Harvest Solar, LLC)	3	5	Solar PV
9	BAP Power Corporation/ S-Energy (Sun Harvest Solar, LLC)	3	5	Solar PV
10	Borrego Solar Systems, Inc.	5	11	Solar PV
11	BP Solar Energy North America LLC	20	49	Solar PV

12	BP Solar Energy North America LLC	20	53	Solar PV
13	CleanPath Ventures, LLC	20	43	Solar PV
14	CleanPath Ventures, LLC	12	26	Solar PV
15	Commercial Solar Power Inc.	20	47	Solar PV
16	Commercial Solar Power Inc.	14	32	Solar PV
17	ECOSolarDevelopment LLC	20	42	Solar PV
18	El Peco Energy LLC	15	34	Solar PV
19	Enfinity SPV Holdings, Inc.	20	42	Solar PV
20	enXco	20	53	Solar PV
21	enXco *	10	25	Solar PV
22	enXco	4	10	Solar PV
23	Eurus Solar Holdings LLC	20	47	Solar PV
24	First Solar Development, Inc.	20	55	Solar PV
25	First Solar Development, Inc.	20	52	Solar PV
26	GCL-SR	20	50	Solar PV
27	GCL-SR	9	22	Solar PV
28	GCL-SR	16	38	Solar PV
29	GCL-SR	20	48	Solar PV
30	GCL-SR	20	47	Solar PV
31	GCL-SR	20	47	Solar PV
32	GCL-SR	20	47	Solar PV
33	GCL-SR	20	50	Solar PV
34	GCL-SR	11	26	Solar PV
35	GCL-SR	8	19	Solar PV
36	GCL-SR	20	48	Solar PV
37	GCL-SR	20	48	Solar PV
38	Gestam Asetym Solar North America, Inc	12	26	Solar PV
39	Gestamp Asetym North America, Inc.	2	3	Solar PV
40	Gestamp Asetym Solar North America, Inc	20	44	Solar PV
41	Gestamp Asetym Solar North America, Inc	20	44	Solar PV
42	Gestamp Asetym Solar North America, Inc.	14	28	Solar PV

43	Gestamp Asetym solar North America, Inc.	20	43	Solar PV
44	Gestamp Asetym Solar North America, Inc.	20	43	Solar PV
45	Gestamp Asetym Solar North America, Inc.	2	3	Solar PV
46	Gestamp Asetym Solar North America, Inc.	8	17	Solar PV
47	GWF Solar LLC	20	48	Solar PV
48	Indeck Energy Services, Inc.	15	35	Solar PV
49	Infigen Energy US LLC	10	28	Solar PV
50	Integrated Resource Development LLC	20	40	Solar PV
51	Lincoln Renewable Energy, LLC	20	52	Solar PV
52	Lincoln Renewable Energy, LLC	10	26	Solar PV
53	Lincoln Renewable Energy, LLC	12	30	Solar PV
54	LS Power GenCo, LLC	20	54	Solar PV
55	Meridian Energy USA, Inc.	20	52	Solar PV
56	NRG Solar LLC	20	56	Solar PV
57	NRG Solar LLC	20	57	Solar PV
58	OPDE U.S. Corp	20	50	Solar PV
59	Pioneer Green Energy, LLC	20	44	Solar PV
60	Recurrent Energy	20	48	Solar PV
61	Recurrent Energy	20	47	Solar PV
62	Recurrent Energy	20	48	Solar PV
63	Recurrent Energy	5	14	Solar PV
64	Recurrent Energy	19	45	Solar PV
65	Recurrent Energy	10	24	Solar PV
66	Republic Solar Highways I LLC - Branham	2	2	Solar PV
67	Republic Solar Highways I LLC - Coyote Creek	3	4	Solar PV
68	Republic Solar Highways I LLC - E San Martin	1	1	Solar PV
69	Republic Solar Highways I LLC - East Dunne	1	2	Solar PV
70	Republic Solar Highways I LLC - Inclusive Offer *	14	20	Solar PV
71	Republic Solar Highways I LLC - Masten Avenue	2	2	Solar PV
72	Republic Solar Highways I LLC - SR 85	3	6	Solar PV
73	Republic Solar Highways I LLC - Tennant Avenue	2	2	Solar PV

74	RIOS SOLAR ENERGY, INC	16	27	Solar PV
75	Rockland Capital	20	50	Solar PV
76	SilRay, Inc.	2	3	Solar PV
77	SilRay, Inc.	2	3	Solar PV
78	SilRay, Inc.	2	3	Solar PV
79	SilRay, Inc.	2	3	Solar PV
80	Silverado Power	5	12	Solar PV
81	Silverado Power	20	48	Solar PV
82	Silverado Power	2	5	Solar PV
83	Silverado Power	2	5	Solar PV
84	Silverado Power	20	48	Solar PV
85	Silverado Power	20	48	Solar PV
86	Silverado Power	10	24	Solar PV
87	Silverado Power	2	5	Solar PV
88	Silverado Power	20	48	Solar PV
89	Silverado Power	20	48	Solar PV
90	Silverado Power	20	48	Solar PV
91	Silverado Power	20	48	Solar PV
92	Silverado Power	15	36	Solar PV
93	Solar Electric Solutions, LLC	12	32	Solar PV
94	Solar Electric Solutions, LLC	8	21	Solar PV
95	Solar Electric Solutions, LLC *	9	24	Solar PV
96	Solar Monkey	13	30	Solar PV
97	Solar Power, Inc.	16	34	Solar PV
98	Solar Power, Inc.	18	37	Solar PV
99	Solar Projects Solutions, LLC	20	38	Solar PV
100	SunEdison, LLC	8	19	Solar PV
101	SunEdison, LLC	20	46	Solar PV
102	SunEdison, LLC	15	34	Solar PV
103	SunEdison, LLC	10	26	Solar PV
104	SunEdison, LLC	20	47	Solar PV

105	Trina Solar US Development LLC	20	46	Solar PV
106	Trina Solar US Development LLC	20	46	Solar PV
107	TUUSSO Energy, LLC	20	53	Solar PV
108	Valos Solar Ventures, LLC	20	44	Solar PV
109	Valos Solar Ventures, LLC *	10	22	Solar PV
110	Westlands Solar Farms LLC	2	4	Solar PV
<b>110</b>	<b>Total As Available Non-Peaking Products</b>	<b>1,448</b>	<b>3,414</b>	

\* Denotes an offer variation and is not included in the MW or GWh totals

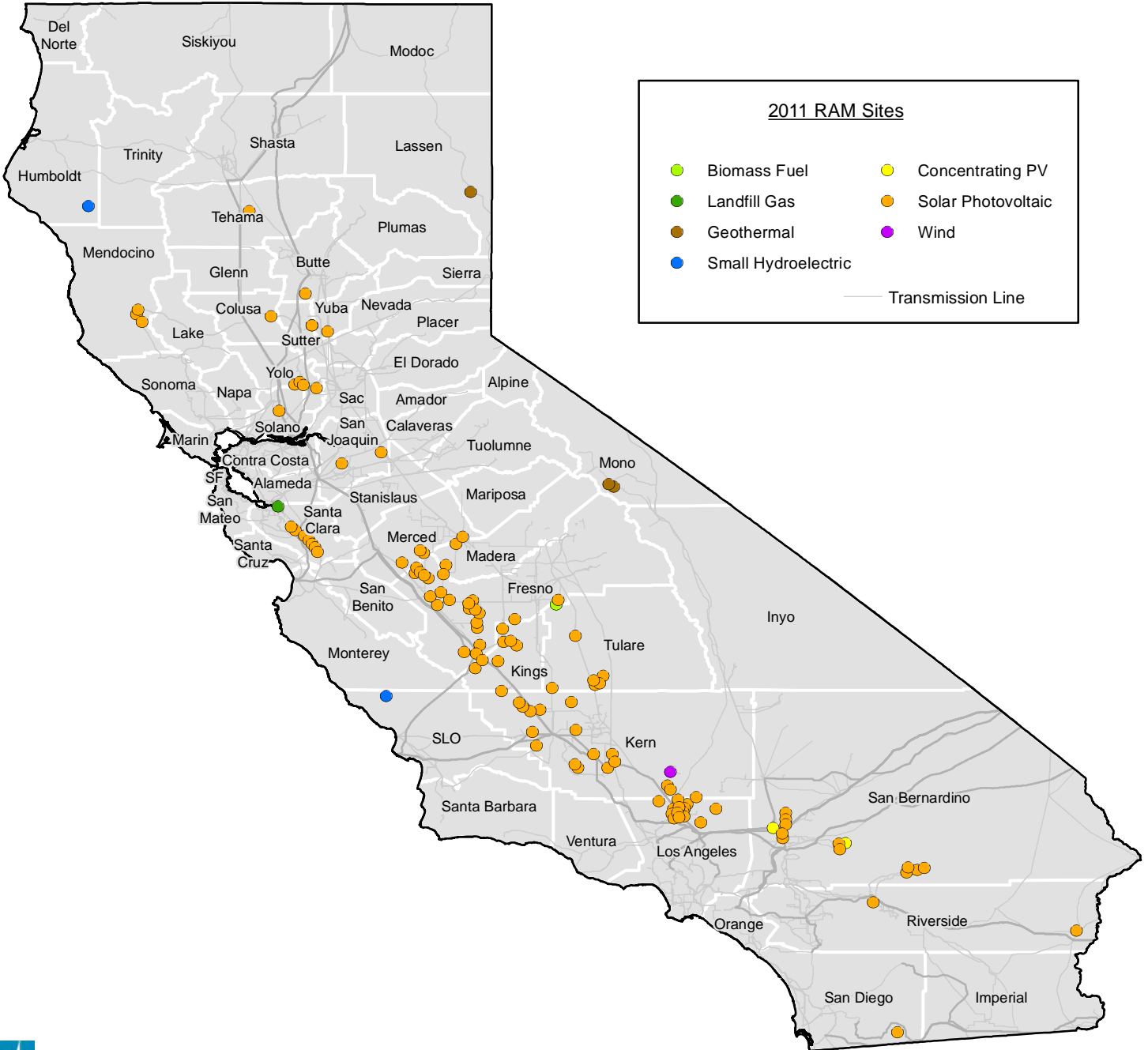
<b>Offers that did not meet the Viability Screen</b>					<b>Reason</b>
1	GRADIENT RESOURCES INC.	15	157	Geothermal	Outside of the Interconnection requirements
2	Avalon Development, LLC	2	4	Concentrating PV	Interconnection criteria not met
3	Cal West Energy One	2	7	Solar PV	Interconnection criteria not met
4	Peteluma Millenium Solar Fund LLC	2	2	Solar PV	Interconnection criteria not met
5	Peteluma Millenium Solar Fund LLC	2	2	Solar PV	Interconnection criteria not met
<b>5</b>	<b>Non Conforming Offers</b>	<b>22</b>	<b>172</b>		
<b>122</b>	<b>Total Capacity and GWh</b>	<b>1,470</b>	<b>3,586</b>		



## **Public Appendix H**

### **Location of Bids**

# 2011 RAM BIDS PROPOSED SITES



**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Dept of General Services	Northern California Power Association
Alcantar & Kahl LLP	Douglass & Liddell	Occidental Energy Marketing, Inc.
Ameresco	Downey & Brand	OnGrid Solar
Anderson & Poole	Duke Energy	Praxair
BART	Economic Sciences Corporation	R. W. Beck & Associates
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	RCS, Inc.
Bartle Wells Associates	Foster Farms	Recurrent Energy
Bloomberg	G. A. Krause & Assoc.	SCD Energy Solutions
Bloomberg New Energy Finance	GLJ Publications	SCE
Boston Properties	GenOn Energy, Inc.	SMUD
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
Brookfield Renewable Power	Green Power Institute	San Francisco Public Utilities Commission
CA Bldg Industry Association	Hanna & Morton	Seattle City Light
CLECA Law Office	Hitachi	Sempra Utilities
CSC Energy Services	In House Energy	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	International Power Technology	Silicon Valley Power
California Energy Commission	Intestate Gas Services, Inc.	Silo Energy LLC
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Calpine	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Cardinal Cogen	MAC Lighting Consulting	Sunrun Inc.
Casner, Steve	MBMC, Inc.	Sunshine Design
Center for Biological Diversity	MRW & Associates	Sutherland, Asbill & Brennan
Chris, King	Manatt Phelps Phillips	Tabors Caramanis & Associates
City of Palo Alto	McKenzie & Associates	Tecogen, Inc.
City of Palo Alto Utilities	Merced Irrigation District	Tiger Natural Gas, Inc.
City of San Jose	Modesto Irrigation District	TransCanada
City of Santa Rosa	Morgan Stanley	Turlock Irrigation District
Clean Energy Fuels	Morrison & Foerster	United Cogen
Coast Economic Consulting	Morrison & Foerster LLP	Utility Cost Management
Commercial Energy	NLine Energy, Inc.	Utility Specialists
Consumer Federation of California	NRG West	Verizon
Crossborder Energy	NaturEner	Wellhead Electric Company
Davis Wright Tremaine LLP	Navigant Consulting	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	Norris & Wong Associates	eMeter Corporation
Defense Energy Support Center	North America Power Partners	
Department of Water Resources	North Coast SolarResources	